



COMMONWEALTH OF VIRGINIA CONSOLIDATED PLAN ACTION PLAN

**State FY July 1, 2007 – June 30, 2008
Program Year 2007**

*May 15, 2007
Draft*



**Department of Housing and
Community Development**

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Executive Summary

This document specifies action plans for year five (July 1, 2007 –June 30, 2008) of a five year Consolidated Plan. The content to follow will review: past performances, leveraged funds, match requirements, objectives and outcome goals, barriers and actions, citizen participation and feedback, methods for distributing allocations, and program monitoring methods for following federal programs:

- Community Development Block Grants (CDBG)
- HOME
- ESG (Emergency Shelter Grant)
- HOPWA (Housing Opportunities for Persons With Aids)

Funds Leveraged

In funding year 2007 (July 1, 2007 – June 30, 2008), the Department of Housing and Community Development (DHCD) will leverage approximately \$84 million in federal and state funding toward addressing affordable housing and community development needs in the Commonwealth.

Match requirements, a specific form of leveraging, are met, where applicable, by program. For the HOME program, the state will meet the required 25 percent match through:

- The present value of interest reductions of below-market-rate loans, where a project also receives HOME assistance.
- State general revenue funds that are contributed to housing projects assisted with HOME funds and meet the HOME affordability requirements.
- The face value of State mortgage revenue bond loans (multi-family and single family loans).

CDBG projects do not have a specific match requirement, but applicants can enhance their competitiveness by incorporating local resources.

ESG requires a dollar for dollar match. DHCD requires that all subrecipients meet this requirement through an approved list of match contributions.

The HOPWA program does not have a match requirement.

Annual Outcomes and Objectives

DHCD seeks to improve the lives of Virginians by:

- Providing safe, accessible, and decent housing opportunities to low income households
- Preventing individuals and families from becoming homelessness
- Ending chronic homelessness
- Developing and revitalizing local communities

DHCD works to achieve these goals through:

- Leveraging of resources to support effective community programs working toward these goals
- Developing strategic partnerships to address barriers to achieving these goals
- Providing planning, coordination, and management of strategies to meet these goals

Challenges and Actions

Current program year will end on June 30, 2007. During this program year DHCD has faced several challenges including for example:

- Rising housing and construction costs
- Household income not keeping pace with housing costs
- Limited financial and other resources
- Interagency barriers

During the past year DHCD has continued to work toward addressing these challenges through efforts such as:

- Community Housing Organizations (CHDO) development and support
- Virginia Inter-Agency Council on Homelessness

HOME, ESG, and HOPWA Outcomes and Objectives

Specific outcomes and objective for HOME, ESG, and HOPWA for the current program year and goal for program year 2007 are summaries in Figure 1 below.

HOME, ESG, and HOPWA			
Goal	Indicators	2006 (Approximate)	2007 Goal
DH-1.1	# of affordable housing units	547 units	200 units
DH-2.1	# of first-time home buyer assisted	350 first-time homebuyers	300 first-time homebuyers
DH-2.2	# of households receiving rental assistance	200 households	200 households
DH-3.1	# of households receiving indoor plumbing	170 households	160 households
SL-2.1	# of individuals receiving shelter	29,790 individuals	29,000 individuals
SL-2.2	# of units of supportive permanent housing	8 units	12 units

Figure 1

CDBG Outcomes and Objectives

Specific outcomes and objective for CDBG for the current program year and goal for program year 2007 are summaries in Figure 2 below.

Program Activity Area	HUD Objective / Outcome	Outcome Statement and Indicators
Public Facilities	Objective Creating/Enhancing Suitable Living Environment Outcome Availability/Accessibility (1,1)	Estimated 1,168 persons with access to new or improved water/sewer services
Public Service Facilities	Objective Creating/Enhancing Suitable Living Environment Outcomes Availability/Accessibility Affordability (2,1) and (2,2)	Estimated 1,747 clients will have access to affordable health care*
Housing Production	Objective Creating Decent Affordable Housing Outcomes Availability/Accessibility Affordability (1,2) and (2,2)	Estimated 36 households will have access to new, affordable rental units
Slums and Blight Prevention	Objective Creating/Enhancing Suitable Living Environment Outcome Sustainability (3,1)	Estimated 49 commercial facades will be improved
Housing Rehabilitation	Objective Creating Decent Affordable Housing Outcome Sustainability (3,2)	Estimated 252 households will have decent, affordable housing through housing rehabilitation
Home Ownership	Objective Creating Decent Affordable Housing Outcome Affordability (2,2)	Estimated 31 households will receive down payment and other assistance for affordable housing homeownership
Economic Development	Objective Creating Economic Opportunities Outcome Availability/Accessibility Affordability(1,3) and (2,3)	Estimated 45 small business businesses owners will have access to affordable capital to create/expand businesses
Economic Development	Objective Creating Economic Opportunities Outcome Sustainability (3,3)	Estimated 368 persons will have access to new jobs through provision of water/sewer to businesses

Figure 2

Citizen Participation

The Commonwealth has adopted a citizen participation plan that provides for required public input into the Consolidated Plan, Annual Action Plans, and Annual Performance Reports. Before adoption of any of the documents, the state provides notification to each unit of local government and Planning District Commissions, DHCD mailing list of citizens' organizations, and service providers. In addition, copies of the materials are made available upon request and are posted on the agency's website. The state gave such notification on March 28, 2007. Especially encouraged to participate are low to moderate income persons and persons living in slum and blighted areas. In addition, the state held a public hearing on April 17, 2007 to gather input and feedback. All input and feedback received (whether through the public hearing or otherwise), specific to the draft action will be incorporated, along with DHCD's response, into the final version of the plan and made available to the public. Prior to creating a draft Action Plan, DHCD gathering input through several public forums helped across the state. This information was leveraged in drafting the Action Plan.

Method of Distribution

Program	Fund Distribution Method	Minimum	Maximum
CDBG	Competitive	\$12,890,953	\$20,640,953
	Non-Competitive	\$0	\$7,750,000
	State Administration	\$0	\$410,947
	State Technical Assistance	\$0	\$205,474
ESG	Competitive		\$0
	Non-Competitive		\$1,584,875
	State Administration		83,414
HOME Including ADDI	Competitive		\$5,000,000
	Non-competitive		\$8,215,554
	State Administration		\$310,000
HOPWA	Competitive		\$0
	Non competitive		\$596,550
	State Administration		\$18,450

Figure 3

CDBG

There are no notable major changes to fund distribution for the CDBG program. Eighty-nine percent of the CDBG 2007 allocation will be distributed as Community Improvement Grants (64 percent of the Community Improvement Grants are distributed through a competitive process). The CDBG allocation supports efforts that:

- Assist local governments to improve neighborhoods;
- Assist local governments to increase business and employment opportunities;
- Assist local governments to improve community facilities; and
- Assist local governments to improve community service facilities.

Community Improvement Distribution

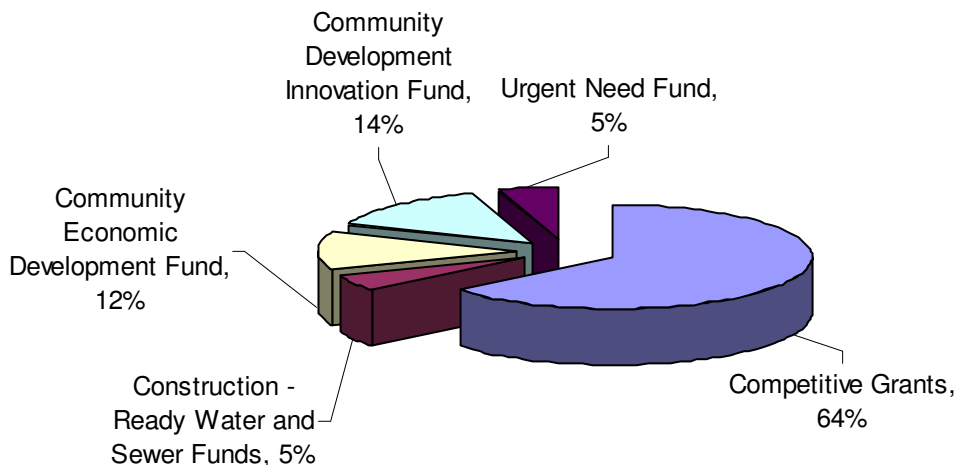


Figure 4

Please see the Method of Distribution section of the Action Plan for CDBG specific requirements and detailed distribution methods.

ESG

The ESG program provides funding for maintenance, operations, essential services, and administrative costs to emergency shelters and transitional housing programs in non-entitlement areas of Virginia. Prior year allocations were distributed based on a formula method per bed. The revised methodology for distribution of funds for FY 2007 will be based on:

- Number of beds (70 percent)

- Utilization rates (15 percent)
- Level of case management (15 percent)

Please see the Method of Distribution section of the Action Plan for ESG specific requirements and detailed distribution methods.

HOME

The FY 2007 HOME allocation will be distributed to the following categories.

Anticipated Resources	
DHCD's 2007 HOME Allocation	\$ 13,498,170
Anticipated Program Income ¹	\$300,000
American Dream Downpayment Initiative (ADDI)	\$274,384
Total	\$14,072,554
Proposed Uses	
AHPP (housing development) ²	\$4,000,000
Special Needs Housing	\$1,000,000
Homeownership (including ADDI)	\$2,662,554
Indoor Plumbing and Rehabilitation	\$5,000,000
Community Integration Pilot	\$100,000
CHDO operating	\$100,000
HOME Match	\$600,000
State Administration	\$310,000
Total	\$13,772,554

Figure 5

The AHPP and Special Needs Housing allocation will be distributed through a competitive process, a change from the prior year's process. This method will be quarterly and will evaluate applicants on:

- Meeting critical community housing needs –worth 50 points
- Feasibility (likelihood of projects coming to a timely completion) –worth 30 points
- Developer capacity (ability to successfully complete projects and deliver affordable housing) –worth 20 points

¹ **Program Income**-The HOME Program receives program income each year that enables DHCD to provide additional funds to housing recipients. The amount of program income received each year is reported in the Consolidated Annual Performance and Evaluation Report (CAPER).

² **Community Housing Development Organization (CHDO) Set-Aside:** The HOME regulations require participating jurisdictions to set aside 15% of the annual allocation to fund applications submitted by CHDOs (eligible activities include rental projects and homebuyer unit new construction, and homebuyer unit acquisition/rehabilitation/resale.) Only CHDOs certified by DHCD are eligible to apply under this set-aside. A minimum of 15% or \$2,136,740 of the state's HOME allocation award is allocated to AHPP and will be restricted for use by CHDOs certified by the state.

Additionally, DHCD will be piloting the Community Integration Program to provide tenant based rental assistance to individuals with disabilities who are transitioning from institutions to community based housing.

Please see the *Method of Distribution* section of the Action Plan for HOME specific requirements and detailed distribution methods by program.

HOPWA

Funding for the HOPWA program was allocated on a competitive basis for 2006 funding year. Program year 2006 project sponsors will be refunded for program year 2007 based on utilization of 2006 funding, program performance, local need/demand, and organizational capacity. Actual allocations will be based on these factors, previous year funding levels, and total number of continuing project sponsors.

Please see the *Method of Distribution* section of the Action Plan for HOPWA specific requirements and detailed distribution methods.

Program Monitoring

DHCD provides compliance monitoring through the Divisions responsible for administering each program. See the *Program Monitoring* section for program specific details.

Introduction: Action Plan (Year Five)

The Commonwealth of Virginia through the Department of Housing and Community Development (DHCD) submitted a five year Consolidated Plan to the Department of Housing and Urban Development (HUD) in 2003. An Annual Action Plan is submitted each year of the Consolidated Plan to specify annual objectives and goals. This submission to HUD is the year five Action Plan of the five year Consolidated Plan and specifically addresses objectives and goals for the July 1, 2007 –June 30, 2008 funding year.

Funds Leveraged in Housing and Community Development Efforts

For funding the year beginning July 1, 2007, it is estimated that Virginia will leverage just over \$84 million (Figure 6) in federal and state dollars toward addressing the issues of affordable housing and homelessness and community development needs.

**Estimated Housing & Community Development Resources
Program Year 2007**

Resources	Federal	State	Estimated Program Income
HOME	\$13,498,170	0	\$300,000
American Dream Downpayment Initiative	274,384	0	0
Emergency Shelter Grant	\$1,668,289	\$3,265,120	0
Tax Check-off for Homeless, Elderly, and Disabled Housing	0	\$100,000	0
Child Service Coordinator	\$0	\$500,000	0
Child Care for Homeless Children Grant	\$300,000	0	0
Housing Opportunities for Persons with AIDS	\$615,000	0	0
TANF Homeless Families Program Support	\$4,910,128	0	0
Weatherization [DOE]	\$3,590,631	0	0
Low Income Home Energy Assistance Program	\$5,724,845	0	0
Lead Hazard Grant	\$1,000,000		0
Emergency Home Repair	0	\$352,725	0
Indoor Plumbing Rehabilitation	0	\$4,480,000	0
Homeless Intervention Program	0	\$4,500,000	0
SROs for the Homeless	0	\$300,000	0
Derelict Structures	0	\$500,000	0
Community Development Block Grant	\$19,767,200	0	\$20,610
Appalachian Regional Commission	\$3,500,000	0	0
<i>Federal</i> Low-Income Housing Tax Credits	\$14,489,000	0	0
<i>State</i> Low-Income Housing Tax Credits	0	\$500,000	0
TOTAL	\$70,322,646	\$12,897,845	\$320,610

Figure 6

While unable to quantify at this time, private dollars will likely compose a significant portion of the total annual investment in affordable housing and community development efforts. These private dollars are raised and leveraged through state wide and regional organizations such as:

- Local United Way (approximately \$1.2 million in programs homeless services in the Greater Richmond area alone)
- Virginia's LISC (Local Initiative Support Corporation)
- Community Housing Partners

- American Red Cross (emergency shelter for victims of fires or other disasters)
- VA Legal Aid Society (foreclosure/eviction prevention, landlord disputes, housing discrimination, assistance with obtaining benefits)
- Housing Opportunities Made Equal (housing discrimination and advocacy)

In addition other state and federal agencies' annual investments provide critical income and work supports that enhance housing affordability, prevent homelessness, and contribute to community and economic development efforts; for example:

- Emergency Food and Shelter Program (approximately \$2 million in emergency shelter, food, and rent/mortgage assistance)
- Public Housing Authorities (VHDA and local authorities that administer Housing Choice and low rent programs)
- TANF (Temporary Aid for Needy Families – about \$142 million in state in federal funding based on 2005 data)
- Food Stamps (106,000 households, \$476.2 million)
- Head Start (approximately \$98 million in federal dollars to care for children in Virginia, based on 2004 data)
- Child Care and Development Fund Subsidies (\$177.1 million, based on 2004 data)

Match Requirements

Match requirements below specify how the state is formerly leveraging dollars to meet a required match by program.

HOME Investment Partnerships (HOME) Program

The State will satisfy the requirement that it provide a 25 percent match with non-federal funds using the following sources:

- The present value of interest reductions of below-market-rate loans where the project also receives HOME assistance.
- State general revenue funds that are contributed to housing projects assisted with HOME funds and meet the HOME affordability requirements.
- The face value of State mortgage revenue bond loans (multi-family and single family loans).

Community Development Block Grants

Projects funded via the CDBG Program do not have per se matching requirements; however, potential grantees can enhance their competitiveness by incorporating local resources in proposals for community improvement grants. Similarly, the degree of commitment as evidenced by private funds included in applications for certain economic development projects can affect their competitiveness. Thus, historically, the majority of successful applications include some degree of local participation--by the local government, private entities, or both.

Emergency Shelter Grant (ESG) Program

Federal regulations require a one-to-one match for ESG expenditures. The Department requires that all subrecipients of ESG funds provide the necessary match and submit a budget indicating the amount and source of match before the disbursement of funds. Eligible sources of match include recipient cash, volunteer hours valued at \$10/hour, and in-kind contributions. Each ESG subrecipient is monitored regularly following departmental procedures, to ensure compliance with all federal requirements, including match expenditures.

Housing Opportunities for Persons with HIV/AIDS (HOPWA) Program

Matching funds are not required for the HOPWA Program

Annual Objectives and Outcomes

DHCD seeks to improve the lives of Virginians by:

- Providing safe, accessible, and decent housing opportunities to low income households
- Preventing individuals and families from becoming homelessness
- Ending chronic homelessness
- Developing and revitalizing local communities

DHCD works to achieve these goals through:

- Leveraging of resources to support effective community programs working toward these goals
- Developing strategic partnerships to address barriers to achieving these goals
- Providing planning, coordination, and management of strategies to meet these goals

The current program year will concluded on June 30, 2007. As with the previous program year, the state experienced successes and continued challenges in serving the housing and community development needs of the Commonwealth. Some of the challenges faced are:

- Rising housing costs (including both the median home sales prices and rents)
- Rising construction costs (new development and rehabilitation)
- Limited financial resources dedicated to the development of affordable housing
- Limited local capacity to delivery needed services (in particularly housing/community development and supportive housing)
- Other barriers (e.g., poverty levels, transportation needs, limited mental health/substance abuse services, fragmented service provision systems, lack of access to health care, high costs of child care)

DHCD is working to address these challenges through our efforts to:

- Grow community capacity
- Coordinate with other state agencies and organizations
- Develop programs and initiatives to address these barriers

DHCD helps to develop community capacity through, for example, the training and support of CHDO (Community Housing Development Organization). Last year more than 1,000 participants and housing providers attended intensive training program offered through DHCD. Participating CHDO are gaining experience and training and are leveraging these resources in effective housing development projects.

DHCD works to better coordinate with other state agencies and organizations through, for example, the Virginia Inter-Agency Council on Homelessness (VIACH). As directed by the Governor, Tim Kaine, VIACH recently updated a 10 year plan to end chronic homelessness. Much of the council's work focuses on addressing barriers including inter-agency and institutional barriers, to obtaining and maintaining housing for "hard-to-serve" clients.

DHCD engages in ongoing program development to assure that it continues to address high need areas and barriers to affordable housing and ending homelessness. One example is the Child Care for Homeless Children program. This program provides childcare services and service coordination for children experiencing homelessness in order to remove barriers to employment that working and homeless parents face. In the 2005 program year, 396 children received childcare through the program.

In some cases, program development is simply program modifications to meet changing market needs. A recent example would include changes made to the Homeownership Assistance program guideline. DHCD received feedback from program administrators serving the Northern Virginia area. They indicated facing significant difficulties serving clients in their area under existing guidelines and program limitations. An evaluation was conducted of program elements in relationship to localized market conditions. It was determined these high cost areas created conditions that tended to fall outside the capacity of existing program design. As a result specific high cost areas were designated and the program was redesign to allow for some modification for identified "high costs areas." Initial feedback and evaluation of the program modifications appear favorable.

HOME, ESG, HOPWA: Objectives and Outcomes

Availability/Accessibility of Decent Housing (DH-1.1)

DHCD works to improve availability/accessibility to decent housing through supporting (with HOME funds, HOPWA and State funds) the development of affordable single family homes and multi-family rental properties. In program year 2005, funding is committed (to date) to produce 123 affordable units. In program year 2006, funding is currently committed to produce approximately 547 units of affordable housing, four units funded through HOPWA will be designated for person with HIV/AIDS. Please note that depending on specific projects, number of units with funding committed will vary and will likely be significantly lower toward the end of the funding year. It is anticipated that in program year 2007 funding will be committed to produce 200 affordable units (see DH1.1, Figure 7).

DHCD will be working with performance measurements for this specific objective/indicator in the coming funding year to assure that these are adjusted for maximum usability. A review of IDIS reporting and HUD requirements is currently being conducted. DHCD will be working to

assure that these performance measures not only meet HUD standards but also align with agency and community information needs (planning, monitoring, and reporting).

DHCD is currently experiencing issues with the department fund management system and IDIS that are contributing to difficulties associated with reviewing completed project data by completion year or date. DHCD is aggressively pursuing resolution of this matter.

The Commonwealth continues to experience challenges in regards to developing housing in rural areas. These are areas that tend to have little or limited existing capacity to develop housing. While the CHDO training and support has aided in the development of affordable housing in these areas, DHCD continues to look for partnership opportunities and creative solutions that will help build capacity in currently underserved areas.

Affordability of Decent Housing (DH -2)

DHCD works to improve affordability of decent housing through down payment assistance for qualified first-time homebuyers (HOME, ADDI, and State funding) and through rental/mortgage assistance provided through the state's Homelessness Intervention Program, and HOPWA.

In funding year 2005, the Commonwealth successfully provided homeownership assistance to 349 first-time home buyers (households). Approximately, 350 first-time home buyers will receive assistance in program year 2006. The goal for homeownership assistance in 2007 will be 340 households (See DH-2.1, Figure 7).

Over time the number of households assisted annually has declined due to increases in home prices and the subsequent increase in the amount of assistance required to successfully assist clients into homeownership. In response to input from high cost areas the agency has raised the income requirement from 60 percent or below AMI to 80 percent or below AMI in specifically identified high cost areas (e.g., Northern Virginia). This program revision along with the fact that housing costs are anticipated to remain consistent in the near term will likely continue to result in slightly fewer clients served over time. DHCD will continue to monitor housing market trends as they relate to the Homeownership Assistance Program and consider future adjustments as needed.

The Commonwealth also strives to achieve affordability of decent housing through short-term and tenant based rental assistance (HOPWA, State, and HOME). In the 2005 program year, the rental assistance targeted at preventing homelessness, ending chronic homelessness, and providing housing stability to individuals with HIV/AIDS was provided to over 200 households. In 2006, ~200 individuals will be served. It is anticipated that another 200 individuals will receive assistance through HOPWA in the 2007 program year. Another 15 will be individuals with disabilities who will be transitioning from institutional settings (e.g., nursing homes) to community housing through the Community Integration program funded with HOME. At least four of these the individuals served in the 2006 program year will be individuals experiencing chronic homelessness that are being served through a pilot HOME tenant-based rental assistance program. See DH-2.2, Figure 7 for summarized outcome goals.

Sustainability of Decent Housing (DH-3)

DHCD also works to preserve affordable housing through rehabilitation programs that focus on indoor plumbing (state and HOME funds) and weatherization (Department of Energy). A total of 2304 units of housing receive assistance with weatherization needs in the 2005 program year. The DHCD anticipates serving another 2200 household units with weatherization in 2006 with the goal of serving another 2200 in 2007.

In addition to the Weatherization Program, DHCD seeks to improve sustainability of decent housing in Virginia through its Indoor Plumbing Program. This program will be assisting 170-180 low income households in the program year concluding June 30, 2007. These numbers served represents an increase over prior year results. This results from an increased funding level over prior year and improved completion rate over prior years. It is anticipated that the program will serve another 160 housing units in FY 2007.

Availability/Accessibility of Suitable Living Environments (SL -2)

Through support (ESG and State Shelter Grant) of emergency shelters the Commonwealth provided shelter or access to a suitable living environment to 29,790 individuals during the program year ending June 30, 2006 (2005 program year). It appears that approximately the same number of individuals will be served in the 2006 program year.

Success for this specific goal is to reduce the number of individuals needing shelter in any given year. The Commonwealth's longer term goal is that citizens of Virginia have adequate access to affordable housing and more suitable living environments thus ultimately reducing the overall demand or need for emergency shelter. The 2007 program year goal for the number of individuals served in emergency shelter is 29,000, a goal representing a slight reduction in the numbers served in emergency shelters (See SL-2.1, Figure 7).

In addition to providing shelter to individuals experiencing homelessness during the program year, the Commonwealth supported (HOME Match) the production of permanent supportive housing units for formerly homeless individuals, in order to improve availability/accessibility of suitable living environments. During the 2005 program year, two supportive housing (HOME match) projects were funded to produce 24 units of supportive housing for individuals experiencing chronic homelessness. An additional project was funded during the 2006 program year that will provide eight units of supportive housing targeted at veterans. It is anticipated that approximately 12 units will be funded for development in 2007 (See SL-2.2, Figure 7).

DHCD continues to work with community partners to build capacity in meeting the supportive housing development goal. While progress has been made in the development of Community Housing Development Organization (CHDO) capacity to develop supportive housing projects, work remains to be done, especially, in some of the most rural areas of the Commonwealth.

HOME, ESG, and HOPWA			
Goal	Indicators	2006 (Approximate)	2007 Goal
DH-1.1	# of affordable housing units	547 units	200 units
DH-2.1	# of first-time home buyer assisted	350 first-time homebuyers	300 first-time homebuyers
DH-2.2	# of households receiving rental assistance	200 households	200 households
DH-3.1	# of households receiving indoor plumbing	170 households	160 households
SL-2.1	# of individuals receiving shelter	29,790 individuals	29,000 individuals
SL-2.2	# of units of supportive permanent housing	8 units	12 units

Figure 7

Homeless and Other Special Needs: Additional Details

DHCD works with the community in a number of ways to specifically meet the needs of homeless and other special needs individuals. In addition to facilitating the effective distribution and utilization of the Emergency Shelter Grant (EGS), State Shelter Grant (SSG), and the State Homeless Intervention Program, DHCD works to improve service delivery and coordination, remove barriers, and leverage resources to address the needs of individuals experiencing homelessness and special needs.

DHCD provides the lead for the Virginia Inter-Agency Council on Homelessness (VIACH). This is a council of service agencies serving the state of Virginia, including coordination with public housing authorities and low income housing tax credits. This leadership group is charged by the Governor of Virginia with the responsibility of coordinating a more effective inter-agency response to end chronic homelessness. Since the inception of VIACH:

- All of Virginia's localities are now covered by a Continuum of Care (CoC)
- Collaborative efforts of several local rural continua resulted in the first ever Balance of State award of \$900,000 for Virginia for permanent supportive and transitional housing projects to house 39 individuals and families and for a Homeless Management Information System (HMIS).

- HMIS is being established to improve coordination of services to meet needs of clients and to improve the overall understanding of system utilization trends for future improvements,
- Virginia has held a VIACH sponsored Prisoner Reentry Academy that resulted in new Single Room Occupancy (SRO) program in Norfolk that housing and services to 16 ex-offenders.
- Virginia received a SSI/SSDI Outreach, Access, and Recovery (SOAR) grant from the Social Security Administration to train front line workers to improve success rate for initial determinations for Social Security Income (SSI) applications.
- Collaboration between Virginia Department of Health, Division of Vital Statistics, Motor Vehicles, Corrections, and the Department of Mental Health, Mental Retardation, and Substance Abuse Services toward removing barriers unique to homeless persons needing to prove identification and residency requirements for a state-issues id.
- The state of Virginia has establish statewide goals and objectives toward ending chronic homelessness

In addition, DHCD recognized the economic challenges that families with children face when also experiencing homelessness and established homeless childcare programs that help to coordinate and pay for childcare services for families facing homelessness.

Beyond the HOPWA funded programs within the Commonwealth, DHCD will be working with HOPWA project sponsors and others serving individuals with HIV/AIDS to better leverage HOPWA dollars and other funding sources to address the needs of this specific subpopulation. DHCD is closely following the recent research efforts to better understand the relationship between housing and health and will be working to disseminate this research along with HOPWA specific trainings and best practices over the upcoming funding year.

Affordable Housing Barriers and Additional Details

As it relates to the development and preservation of affordable housing in Virginia DHCD and the VHDA (the state housing finance agency) meet monthly in order to better coordinate efforts on joint housing production projects and to keep each agency up-to-date on upcoming initiatives to better facilitate coordination between the two entities.

The two agencies continued their partnership on administering tax credit programs, with VHDA having primary responsibility for the LIHTC program, which has become a primary resource for most State-funded multifamily projects. DHCD maintains primary administrative responsibility for the state low-income housing tax credit program, continuing the interactions between the two agencies because of the program linkages within the relevant Virginia statutes. DHCD assigned the state tax credit program into its Housing Division during the previous year—providing a more direct link between the credits and other housing programs.

CDBG: Objectives, Outcomes, and Barriers

DHCD works to assist local governments in conserving and improving housing and has provided program funds for housing rehabilitation projects and, under appropriate circumstances, housing production. In the case of housing production, CDBG funds are normally limited to the design and construction of on-site improvements, but they may be used for housing production costs where a neighborhood-based non-profit assumes the primary responsibility for property acquisition, development, and down payment assistance.

Comprehensive Community Development grants have served as a primary vehicle for the CDBG program to blend housing and non-housing activities to improve neighborhoods in a single package intended to address simultaneously multiple problems within grantee communities. The general upward trend in the number of applicants and awards in this category for several years peaked in 2001 with about 40 percent of program funds allocated to comprehensive projects. In the 2006 program year, four comprehensive grant applicants accounted for approximately 14 percent of the available CIG funding. Successfully completing these individual projects requires the extensive commitment of funds. The multiple activities and extended completion times that may be associated with the multi-year funding commitments for some grants increases their administrative complexity and may extend the time needed to attain their maximum LMI benefit levels.

DHCD assist local governments to increase business and employment opportunities through economic development grants. Both the number of grants awarded and the percentage of available funds for economic development grants have recently been fluctuating significantly on a year-to-year basis. From 1987 through the 2004 program year, CDBG economic development activities assisted 151 businesses, including 24 micro-enterprises. Nearly two-thirds of the 13,589 jobs associated with these grants benefited low-income persons. With the exception of the micro-enterprises, all these jobs were associated with commercial and industrial infrastructure projects. These grants have continued to serve as an effective means for enhancing competitive economic environments within eligible Virginia localities. These grants have continued to serve as an effective means for enhancing competitive economic environments within eligible Virginia localities. Open submission (set-aside) grants made during the completed year identified at 368 jobs to be created; at least 184 are expected to be LMI. .

Outcomes are also achieved through assistance to local governments to improve community facilities. These projects generally address critical community infrastructure needs, primarily water supply and sewerage, and have enhanced efforts to reduce the number of homes lacking complete or adequate indoor plumbing facilities. In 2006, four grants totaling approximately \$2 million, joined five grants for \$4.6 million from 2005, four grants totaling over \$2.2 million from 2004, eight grants from 2003 totaling \$5.8 million, four 2002 grants representing \$2.8 million, nine 2001 grants of approximately \$5.1, and ten 2000 grants of approximately \$4.0 million in addressing these areas of need.

Other assistance is provided to help local governments improve community service facilities. During the 2006 program year, DHCD made one award for community service facilities; this was less than 5 percent of the available funding. This was less than the proportion of funds awarded in this category in the 2005 program year, when the

Department made awards to two new community service facility proposals, representing 11 percent of available competitive and open submission resources.

Program Activity Area	HUD Objective / Outcome	Outcome Statement and Indicators
Public Facilities	Objective Creating/Enhancing Suitable Living Environment Outcome Availability/Accessibility (1,1)	Estimated 1,168 persons with access to new or improved water/sewer services
Public Service Facilities	Objective Creating/Enhancing Suitable Living Environment Outcomes Availability/Accessibility Affordability (2,1) and (2,2)	Estimated 1,747 clients will have access to affordable health care*
Housing Production	Objective Creating Decent Affordable Housing Outcomes Availability/Accessibility Affordability (1,2) and (2,2)	Estimated 36 households will have access to new, affordable rental units
Slums and Blight Prevention	Objective Creating/Enhancing Suitable Living Environment Outcome Sustainability (3,1)	Estimated 49 commercial facades will be improved
Housing Rehabilitation	Objective Creating Decent Affordable Housing Outcome Sustainability (3,2)	Estimated 252 households will have decent, affordable housing through housing rehabilitation
Home Ownership	Objective Creating Decent Affordable Housing Outcome Affordability (2,2)	Estimated 31 households will receive down payment and other assistance for affordable housing homeownership
Economic Development	Objective Creating Economic Opportunities Outcome Availability/Accessibility Affordability(1,3) and (2,3)	Estimated 45 small business businesses owners will have access to affordable capital to create/expand businesses
Economic Development	Objective Creating Economic Opportunities Outcome Sustainability (3,3)	Estimated 368 persons will have access to new jobs through provision of water/sewer to businesses

Figure 8

In the upcoming program year DHCD will continue to coordination with Low-Income Housing Tax Credits. VHDA is responsible for the administration of federal Low-Income Housing Tax

Credit (LIHTC) in Virginia. LIHTC will continue be used with VHDA taxable and tax-exempt bond issues, the VHDA Housing Fund, the Virginia Housing Partnership, Community Development Block Grant (CDBG), and the HOME Investment Partnerships Program to develop multi-family rental housing. The two agencies have committed to coordinate the use of these resources to the greatest extent possible. As part of this commitment, Virginia statutes and the implementing regulations promulgated by DHCD for the state Low Income Housing Tax Credit firmly tie it to the federal credit. VHDA and the Virginia Department of Taxation cooperate with DHCD in implementing this program.

Action to Address Barriers to Affordable Housing

In the coming year, the State will take the following steps to address regulatory barriers to affordable housing:

- Continue to coordinate project funding through various sources in a way that will reduce nonessential duplicative requirements.
- Continue to administer a Uniform Statewide Building Code (USBC) that emphasizes the attainment of public health and safety goals for new construction and maintenance at the least cost consistent with those goals.
- Initiate the process for promulgating the next edition of the USBC to incorporate provisions of the 2003 International Building Code.
- Offer training through the Building Code Academy that focuses on the provisions of the USBC that facilitate the maintenance, rehabilitation, development and reuse of existing buildings in accordance with those provisions.
- Promote the use of varied types of single-family dwellings in areas zoned agricultural and residential.
- Continue to scrutinize state enabling legislation, local land use ordinances, and introduced legislation with the potential to affect the production and preservation of affordable housing.
- Recommend support for legislation with the potential to increase housing affordability.
- Continue to consult with the homebuilding industry, local governments, and affordable housing advocates in considering the potential impact of state statutes and state and local regulations on affordable housing.
- Participate in the working groups of the Virginia Housing Commission that are focusing on the development of a statewide housing policy, including such issues as affordability, community revitalization and blight removal.
- Pursue homeownership initiatives underway at the Department that assist lower-income households for the purchase of their first home.
- Develop strategies, in consultation with the Virginia Housing Development Authority, to create and implement programs to meet the housing needs of persons released from federal, state, or local incarceration.

Actions to Reduce the Number of Poverty Level Families

DHCD will promote and coordinate housing services with activities that help reduce the number of poverty-level families in Virginia. Virginia continues to pursue several economic development initiatives that, like economic development and self-help portions of the CDBG program, are also intended to strengthen local economies, increase employment opportunities, and enhance business opportunities, particularly within lower income communities or portions of communities. These include the following:

- The **Virginia Enterprise Zone Program** offers state incentives for businesses hiring and investing in distressed communities and areas of the state that have lagged behind the overall growth of the State's economy. The recently reauthorized program, which will use grants rather than tax credits as an incentive for investment in economically distressed communities, targets localities whose relative levels of employment, income, and other indicators are to be considered in determining the designation of future zones.
- The **Virginia Enterprise Initiative**, which leverages private sector support for community-based micro enterprise (self-employment) programs; these programs in turn provide access to capital and business skills to aspiring low-income entrepreneurs.

Action Taken to Promote Interagency and Public Entity Coordination

DHCD will continue to work with a variety of state and federal agencies in the implementation of all of its Consolidated Plan priorities. State agencies include the Virginia Housing Development Authority (VHDA), the Virginia Housing Commission (VHC), the Virginia Department of Taxation (TAX), the Department of Mental Health, Mental Retardation and Substance Abuse Services (DMHMRSAS), the Department of Social Services (DSS), Virginia Department of Aging, and the Department of Rehabilitative Services. Federal agencies include Department of Energy (DOE), HUD, the Appalachian Regional Commission (ARC), and the Rural Development Administration (RDA) of USDA. At the local level, DHCD anticipates working with public housing authorities and units of local government.

One of the priorities identified in the State's Consolidated Plan is to "Develop partnerships at the State, local, community and regional levels that facilitate coordinated use of resources and shared accountability." This priority will guide the development and implementation of housing and community development programs to the extent possible.

Action Taken to Assist Troubled Public Housing Authorities

The public housing authority profiles currently posted on the Public and Indian Housing section of the HUD web site do not indicate that any Virginia public housing authorities are reported as having a "troubled" status. Housing authorities within two entitlement localities are listed as having substandard physical facilities, while the housing authority in one non-entitlement community is listed as having substandard financial conditions. Local housing authorities are established through the auspices local government, subject to state enabling legislation. In the event that an authority whose service area is not entirely contained within a locality that must prepare a consolidated plan is determined to be troubled, DHCD would be prepared to offer technical assistance focused on those areas of deficiency contributing to the designation with the intention of assisting in removing the designation. This would be analogous to DHCD's history of offering technical or administrative assistance to local grantees in such federal programs as lead hazard reduction. In addition, in recent

years, the state government has modified various provisions of the housing authorities' law to facilitate changes needed in the operations or administration of local authorities.

Actions Taken: Appalachian Regional Commission Coordination

Administer approximately \$2.5 million in Appalachian Regional Commission funding during state FY 2006 for projects targeting at least one of the four ARC goal areas:

- Economic Development
- Educational and Health Capacity
- Infrastructure
- Appalachian Development Highway System

Virginia uses Appalachian Regional Commission (ARC) Program funds to foster economic development and improve the quality of life for residents of Appalachian Virginia. The Program assists the long-term development of a chronically depressed region encompassing 23 counties and 7 independent cities in Southwest Virginia. Special efforts address assistance to one designated distressed county (Dickenson). Local Planning District Commissions (PDCs) provide local participation in the ARC program, providing technical assistance to localities and organizations in its district. The largest portion of Virginia's ARC Funding is available to Appalachian region localities through the Area Development Program. Projects may address any eligible goal area, but most recipients use them to fund projects providing infrastructure, such as water or sewer systems, or to improve local economies.

ARC occasionally develops special initiatives that focus on an aspect of a particular ARC goal area. ARC allocates funding, generally annually over a three- year period, to each of the 13 states in the ARC region to implement these Initiatives. In 2005, two new programs, the Asset-Based Development Initiative (ABDI) and the Telecommunication Initiative (TI) replaced the previous Entrepreneurship and Telecommunications Initiatives. In each of these outcome-based programs, the state takes on the role of investor. Up to \$165,000 in funding was available for ABDI and \$135,000 for the TI program. The former program provides funding for projects that address the promotion of cultural assets, natural assets, leadership/community assets, structural assets relating to the existing built environment, or business and economic assets. The TI focuses on telecommunications planning, system development and technical support, and implementation.

Actions Taken to Evaluate and Reduce the Risk of Lead Paint

All HOME funds committed to specific projects after September 15, 2000 must comply with the Lead Based Paint regulations at 24 CFR Part 35. These regulations require the use of trained and certified lead paint professionals and certified abatement contractors. The HOME lead-based paint requirements apply to all activities including acquisition not involving rehabilitation (e.g. down payment assistance programs.) In each HOME-assisted unit, all intact and non-intact interior and exterior surfaces in the assisted unit must be inspected for the presence of defective paint, i.e. cracking, scaling, chipping, peeling, or loose paint. Where defective paint is found, it must be treated to eliminate hazards. At a minimum, treatment is removal of the defective paint and repainting of the surface.

Citizen Participation

The State is required to adopt a citizen participation plan that sets forth the State's policies and procedures for citizen participation in the development of the State's Consolidated Plan, any substantial amendments to the plan, and the annual performance report. Before adoption, the State must make its Annual Plan available to the public by notifying each unit of local government and Planning District Commissions, and through the Department's mailing list of citizens, organizations, and service providers. The State gave such notification on March 28, 2007 and provided thirty-five days for comment.

It is the intent of the citizen participation plan to provide for and encourage citizen participation in the development of the Consolidated Plan, any substantial amendments to the plan, and performance reports. Especially encouraged to participate are low-and moderate-income (LMI) persons, particularly those living in slum and blighted areas and by residents of LMI neighborhoods, including minorities and non-English speaking persons, as well as persons with disabilities.

In addition, to directly providing the Proposed Action Plan as specified above, the Commonwealth publishes the proposed Annual 2007 Action Plan in a manner that affords citizens, units of general local governments, public agencies and other interested parties a reasonable opportunity to examine its contents and to submit comments. The proposed Plan will include the amount of assistance the Commonwealth expects to receive and the range of activities that may be undertaken under various programs included in the Consolidated Plan and annual Action Plan, including the projected amount that will benefit persons of low and moderate income and the plans to minimize displacement of persons and to provide assistance to any persons displaced.

On April 17, 2007, the State held a public hearing regarding the proposed Annual Action Plan and HOME Program Design.

The State public hearing relative to the adoption of this Plan covered housing and community development needs and strategies. Notice of this meeting was published at least ten days in advance of the public hearing in six newspapers of general circulation, posted on the agency web site, and mailed to each of the 21 planning district commissions with a copy of the draft plan.

Public hearings are held at times and locations convenient to potential and actual beneficiaries and in facilities accessible to persons with disabilities. Where a significant number of non-English speaking residents can reasonably be expected to participate and when the State is made aware of such participation at least ten days before the hearing, it is the State's policy to retain the services of an interpreter for all hearings.

Citizens and units of local government will have not less than 30 days to comment on the proposed Plan. In addition, the State will consider any written or oral comments received at any public hearing in preparing the final Plan; a summary of all comments, including any comments not accepted, will be summarized in the final plan.

An annual action plan is prepared for each year covered by the Consolidated Plan. The action plan for the initial year of a Consolidated Plan was included in the Consolidated Plan. Subsequent action plans will be prepared and submitted to the U.S. Department of Housing and Urban Development (HUD) annually. Each annual Action Plan includes the following information:

- Federal and other resources expected to be available to address the priority needs and objectives of the Consolidated Plan
- A description of state's method of distribution of funds received from HUD, and
- The process for preparing the Action Plan.

Any change in eligible activities or method of fund distribution that exceeds 15 percent of each program's annual available funds as contained in the Consolidated Plan is subject to an amendment process. The State intends to conduct one public hearing in Richmond for such changes. Notification will be made through DHCD mailing list. A 30-day comment period will be provided.

Any performance report submitted to HUD relative to the Consolidated Plan is subject to participation and comment. The state provides reasonable notice of the comment period (through newspaper advertisements at least two weeks in advance in the newspapers) and also provides a period not less than 15 days to receive comment on any performance report prior to submission to HUD. A commenter may review the performance report at DHCD's offices after alerting DHCD at least 5 working days in advance. Summaries of comments received shall be attached to the performance report.

The following documents will be available to the public (citizens, public agencies, and to interested parties) at DHCD's offices if DHCD first receives a request for the document 5 working days in advance:

- Consolidated Plan,
- Substantial amendments to the Plan,
- Performance reports records relating to the foregoing documents, and
- DHCD's use of assistance available under Community Development Block Grant, HOME, Emergency Shelter Grants, and Housing Opportunities for People with AIDS programs during the five-year period preceding the year of the request.

Note that the Consolidated Plan, substantial amendments to the Plan, and performance report documents will be available upon request in a form accessible to persons with disabilities.

The State shall provide a substantive, written response to written complaints regarding the Consolidated Plan, substantial amendments to the Plan, and performance reports within 15 working days, where practicable.

DHCD will provide technical assistance to any for-profit or nonprofit affordable housing developer or their agents in preparing and submitting proposals and otherwise pursuing

assistance under the HOME Program. This assistance will generally occur via telephone, facsimile transmission, electronic mail, formal meetings, and occasional site visitation.

There are a number of policies, which are applicable to all assistance available under the Virginia HOME Investment Partnership Program.

As part of the process for developing its Action Plan for State, DHCD solicited public consultation and participation through several different modes. The one primary source of public input occurred during a series of input sessions addressing the individual housing and community development programs incorporated within the Plan.

HOME, HOPWA, and ESG

Public input was gathered through a number of input sessions that were held across the state. Four input sessions were held the week of January 15-19, 2007 to gather input on HOME and HOPWA in:

- Richmond, VA
- Abingdon, VA
- Northern Virginia
- Newport News, VA

These sessions focused on program design and additionally gather information about processes, DHCD performance, and barriers to serving clients. Approximately 60 individuals attended these session, most representing current subrecipients or project sponsors.

Additional sessions were held to gathering data on housing and homeless assistance programs including the ESG program between October 18, 2006 and November 15, 2006. These sessions were held in:

- Norfolk, VA
- Lynchburg, VA
- Wytheville, VA
- Staunton, VA
- Fredericksburg, VA
- Leesburg, VA
- Richmond, VA

The following provides a summary these public input sessions for HOME, HOPWA, and ESG and DHCD's resulting actions taken.

Affordable Housing Production and Preservation Program (AAHP):

Method of Distribution

This is an affordable housing finance program funded through HOME. There was a significant amount of discussion about the role of AAHP and how it has changed over time (moving from gap financing toward primary financing). The funding source was described currently as: limited, only supporting a handful of projects annually, and based on a first come first served process.

Participants also discussed the fact that more CHDO have developed the capacity to develop housing and expressed the concerns that this developing capacity meant even more competition for a limited resource. In addition, discussions were held about possible modifications to the method of distribution that would fairly meet needs across the Commonwealth. Overall, participants expressed being open to possible changes.

DHCD spent the month of February developing the proposed modification to the distribution of AHPP funding (see method of distribution section for proposed changes).

Indoor Plumbing Rehabilitation

Several session participants indicated a significant need for this program. At least two participants described rehab needs beyond that of indoor plumbing. “While a housing unit may have plumbing, it needs a major roof repair to remain sustainable.”

Current statewide needs and utilization support continuation of the program as currently designed. DHCD will continue to evaluate needs and utilization to determine any future program modifications.

Target Populations

Session participants identified the following as critical special needs populations:

- Ex-convicts existing the penal system
- Individuals experiencing chronic homelessness
- Individuals aging out of the foster care system
- Population living in rural areas

Prisoner reentry and populations living in rural areas were mentioned in every feedback session. Participants tended to speak about the unique challenges that these subpopulations faced. In rural areas, lack of transportation was noted as a significant barrier to obtaining needed services and to employment. In addition, participants noted specific institutional barriers faced by those leaving the penal systems, for example housing and jobs that excludes those with previous felony charges.

Several attendees noted Housing First approaches in the discussions of these specific subpopulations.

In the 2007 program year, DHCD will be participating in the Prisoner Reentry Policy Academy to help identify specific needs, barriers, and best practices to better serve those individuals exiting the penal system.

DHCD will be working with DMHMRSAS (Department of Mental Health, Mental Retardation, and Substance Abuse Services) to provide trainings of eligibility workers and service providers to improve disability application quality and subsequently reduce the time it takes to receive benefits. This system level strategy is a part of a larger statewide strategy to end chronic homelessness led by DHCD.

Additionally, DHCD has set aside \$1,000,000 of the 2007 HOME allocation funds for program targeting Special Needs populations. See the “Method of Distribution” section of the document for more details.

HOPWA

Input session produced a significant amount of discussion about the level of care required by clients with HIV/AIDS. Participants expressed concerns that DHCD would decrease the percentage (35 percent limit) allowed for supportive services. In addition, participating project sponsors indicated a need for more training opportunities. The Richmond session suggested small peer group workshops.

For the 2007 program year, DHCD will not reduce the limit on support services for the HOPWA program; however the agency will be monitoring overall program utilization trends and will re-evaluate limitations during the Consolidated Planning process.

Training specific to the HOPWA program will be provided during 2007. Additionally, all 2007 program year project sponsors will be required to attend at least one training during the funding year.

ESG

Input session discussions centered on the method of distributing ESG funding, which has been distributed based on a per-bed formula. Several participants expressed concern with this method. Caution was also expressed related to the use of utilization rates.

DHCD developed a new distribution method based 70 percent on bed counts, 15 percent on utilization rates, and 15 percent on level of services categories. The proposed method was vetted with shelter providers and experts in the homeless services field. The methodology will be implemented for the 2007 program year. See the *Method of Distribution* section of the document for more details.

Homeownership Assistance Program

Program administrators in attendance noted the difficulty administering the Homeownership Assistance program and requested a more detailed manual. The Northern Virginia session discussed high home prices and the impact on administration of the program.

DHCD is revising all program material (manual, forms, and training material). This will be made available online at the agency’s website and will be distributed to each program administrator. DHCD will also develop training based on findings from program monitoring to be conducted in first quarter of the 2007 program year.

CDBG

DHCD focused on elements of the CDBG program at two Program Design / Consolidated Plan Input Workshops on October 24 and October 26, 2006. Following these workshops, DHCD prepared the final CDBG program design, conducting a public hearing on November 21, 2006. DHCD also reviewed additional public comment received through December 1, 2006.

The new program design proposed changing several provisions and policies from those of the previous year. The state instituted several cost limit increases for housing rehabilitation and substantial reconstruction project. DHCD also established a maximum average cost of \$15,000 per household for water and wastewater improvements made in Comprehensive Community Development projects, and increased the maximum average cost to \$12,500 for water and wastewater improvements made through the Community Facilities project type. For Business District Revitalization construction projects, DHCD now requires that at least 25 percent of the properties in the proposed project area are physically blighted and that a downtown revitalization project is the applicant's highest community development need. For Business District Revitalization planning grants, applicants must now have a population greater than 750 persons within a one-mile radius of the project area. Exceptions will be considered, such as where the district serves a unique function or where improvements to the region's economic environment increases opportunities for revitalization. Applicants that do not meet this threshold will be eligible for up to \$15,000 in planning grant funds. The agency has also put in place the mechanism to establish a cut-off point among the unsuccessful projects that are received during the Competitive Round of funding. This will serve as a point where unsuccessful competitive projects will be considered for funding should there be recaptured funds or a balance of uncommitted VCDBG funds at the end of the Program Year. Projects that fall below this point will be deemed not to be ready or feasible and will not be considered for funding.

Method of Distribution by Program

Program	Fund Distribution Method	Minimum	Maximum
CDBG	Competitive	\$12,890,953	\$20,640,953
	Non-Competitive	\$0	\$7,750,000
	State Administration	\$0	\$410,947
	State Technical Assistance	\$0	\$205,474
ESG	Competitive		\$0
	Non-Competitive		\$1,584,875
	State Administration		\$83,414
HOME Including ADDI	Competitive		\$5,000,000
	Non-competitive		\$8,215,554
	State Administration		\$310,000
HOPWA	Competitive		\$0
	Non competitive		\$596,550
	State Administration		\$18,450

Figure 9

CDBG

Eighty-nine percent of the 2007 CDBG allocation will be distributed as Community Improvement Grants.

CDBG 2007 Distribution

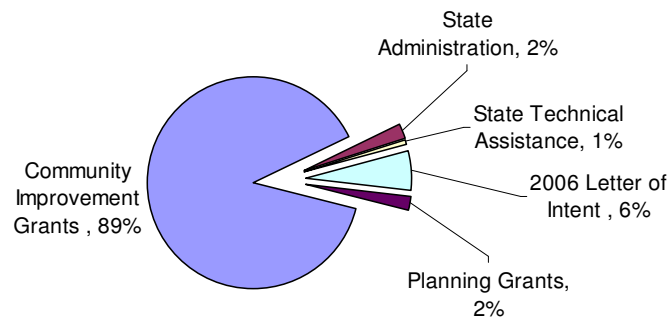


Figure 10

Sixty –four percent of the Community Improvement Grant will be distributed on a competitive basis; the remaining 36 percent will be allocated to specialty need areas as indicated in Figure 11.

Community Improvement Distribution

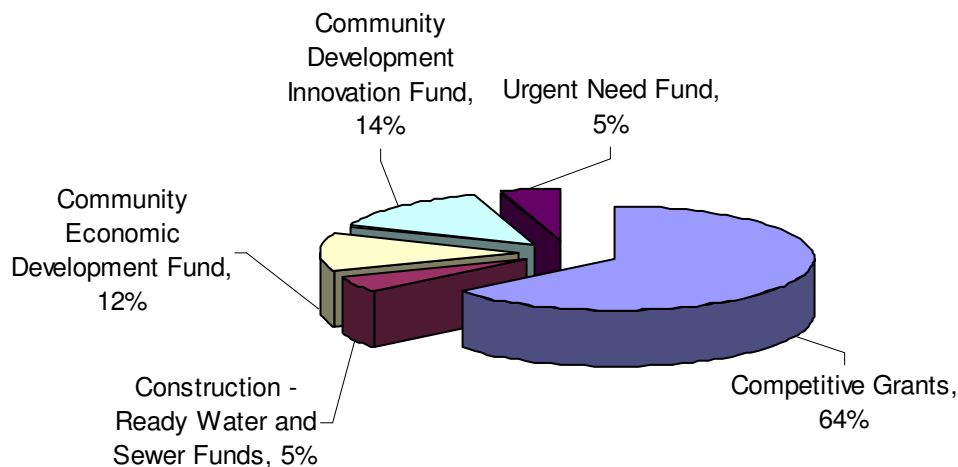


Figure 11

During the 2006 program year, offers were made to nine grantees (three more than during the 2005 program year) for housing projects, amounting to more than one-quarter of the resources available through competitive and open submission grants. Continuing a trend begun during the previous Consolidated Plan, housing has also become a significant component of comprehensive community development proposals. Including the housing elements of comprehensive projects raises the percentage of funds offered in 2006 in support of housing projects to nearly 42 percent of the available competitive and open submission resources.

Assist Local Governments Improve Neighborhoods

Comprehensive Community Development grants have served as a primary vehicle for the CDBG program to blend housing and non-housing activities to improve neighborhoods in a single package intended to address simultaneously multiple problems within grantee communities. The general upward trend in the number of applicants and awards in this category for several years peaked in 2001 with about 40 percent of program funds allocated to comprehensive projects. In the 2006 program year, four comprehensive grant applicants accounted for approximately 14 percent of the available CIG funding. Successfully completing these individual projects requires the extensive commitment of funds. The multiple activities and extended completion times that may be associated with the multi-year funding commitments for some grants increases their

administrative complexity and may extend the time needed to attain their maximum LMI benefit levels.

Assist Local Governments Increase Business and Employment Opportunities

The three economic development grants awarded during the 2006 competitive funding round accounted for the second smallest proportion (13.6 percent) of CIG funds awarded to economic development projects during the past eleven years. The Community Economic Development Set-Aside provided six additional grant awards. Both the number of grants awarded and the percentage of available funds for economic development grants have recently been fluctuating significantly on a year-to-year basis.

From 1987 through the 2004 program year, CDBG economic development activities assisted 151 businesses, including 24 micro-enterprises. Nearly two-thirds of the 13,589 jobs associated with these grants benefited low-income persons. With the exception of the micro-enterprises, all these jobs were associated with commercial and industrial infrastructure projects. These grants have continued to serve as an effective means for enhancing competitive economic environments within eligible Virginia localities. Open submission (set-aside) grants made during the completed year identified at 368 jobs to be created; at least 184 are expected to be LMI.

Assist Local Governments Improve Community Facilities

These projects generally address critical community infrastructure needs, primarily water supply and sewerage, and have enhanced efforts to reduce the number of homes lacking complete or adequate indoor plumbing facilities. In 2006, four grants totaling approximately \$2 million, joined five grants for \$4.6 million from 2005, four grants totaling over \$2.2 million from 2004, eight grants from 2003 totaling \$5.8 million, four 2002 grants representing \$2.8 million, nine 2001 grants of approximately \$5.1, and ten 2000 grants of approximately \$4.0 million in addressing these areas of need. From program year 1987-2003, grantees initiated 585 community facilities projects, mostly street, drainage, sewer, and water improvements. About 80 percent of these had been completed by the end of the previous program year.

Assist Local Governments Improve Community Service Facilities

During the 2006 program year, DHCD made one award for community service facilities; this was less than five percent of the available funding. This was less than the proportion of funds awarded in this category in the 2005 program year, when the Department made awards to two new community service facility proposals, representing 11 percent of available competitive and open submission resources.

Other Issues

DHCD has noted fluctuations in the low and moderate-income (LMI) benefit associated with CDBG-funded projects. This is believed to reflect the impact of awards for planning and community improvement directed at meeting the objective for the removal of slums and blight. Grants focusing on job creation also carry lower LMI benefits. Although, at their outset, many of these projects tend to have lower LMI benefits than do comparable housing or community facility projects, at project completion, many projects demonstrate LMI benefits in excess of those originally proposed. The Department has emphasized the obligation of subrecipients to recognize the importance of addressing the needs of LMI residents.

DHCD recognizes the need to accelerate the pace of project completion—which in turn affects the rate at program draw-downs from each successive cycle of grants. By holding subrecipients responsible for meeting spending targets, the agency anticipates improvements in their performance. For example, all grantee administrative costs are performance-based. These costs are repaid only when pre-determined performance thresholds incorporated in the contract are met. The thresholds outline the specific tasks and the amount to be paid upon their completion. DHCD then uses the performance-based project budget to monitor the grantee's progress in project implementation as well as conformity with financial requirements.

ESG

The federally-funded Emergency Shelter Grant (ESG) provides funding to emergency shelter and transitional housing programs. ESG provides shelter maintenance, operation, essential services and administrative funding in non-entitlement areas of Virginia.

Approximately \$1.5 million or 95 percent of the 2007 allocation will be distributed to community based shelters to house nearly 30,000 individuals over the funding year.

2007 ESG Allocation

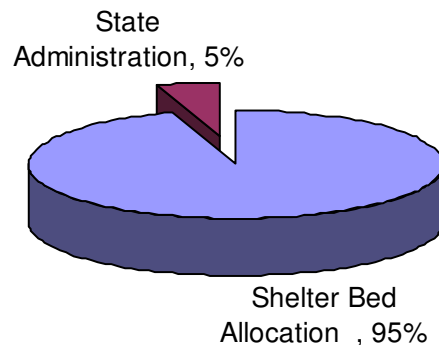


Figure 12

Authorized by the Stewart B. McKinney Homeless Assistance Act, ESG is funded through an appropriation from the U.S. Department of Housing and Urban Development and administered by the Virginia Department of Housing and Community Development (DHCD). The required

state matching funds are provided by a dollar to dollar match requirement for all subrecipients. Additionally, the State Shelter Grant (SSG) Program an appropriation from the Virginia General Assembly and administered by DHCD is leveraged in this program.

The goal of ESG is to assist homeless families and individuals by providing shelter and services at emergency and transitional housing facilities in Virginia. The primary objective of the program is to provide federal funding to emergency shelters and transitional housing facilities available to serve the homeless and to be used for operations, maintenance costs, supportive services, and administrative costs (salaries may not exceed 10 percent of the award).

Project/Applicant Eligibility

Eligible applicants for ESG are nonprofit organizations, units of local government and public housing authorities who currently provide, or plan to provide, shelter and services for homeless individuals or families in Virginia.

Subrecipients that have outstanding audit or monitoring findings, unresolved IRS findings, and/or applicants not in compliance with previous DHCD agreements are ineligible for funding.

ESG funds may be used for any of the following activities:

- staff costs, not to exceed 10 percent of the total ESG award
- payment of shelter maintenance, operation (including administrative expenses but excluding staff costs), rent, security, fuels, insurance, utilities, and furnishings for emergency shelters, winter shelters, day shelters, and transitional housing facilities.

Ineligible Activities

ESG funds may not be used for any of the following activities:

- persons who are not homeless
- prevention activities
- emergency shelter when payment or compensation is required
- transitional housing or any other housing for the homeless if:
 - the applicant receives a HUD supportive housing grant, Section 8 Program Subsidy, or any other government rental subsidy to operate the facility
 - rents charged exceed 30 percent of the residents' income
 - the total annual income from rents exceeds 50 percent of the last year's total budget for the transitional housing program
- staff costs exceeding 10 percent of the award
- purchase of real property
- building conversion or shelter renovation or rehabilitation, or repair, or the costs associated with these activities
- the provision of beds for which third party payments are received
- costs associated with audits
- purchase of computers
- travel or staff training.

Fund Allocations

In previous years, ESG funding has been made based on a “per bed” method. This was based on a formula calculation and the numbers of ESG beds that eligible project sponsors have available to serve the homeless. The distribution of ESG for the 2007 program year will also consider the level of case management and utilization rates. These performance based factors will be implemented gradually over time, whereby 70 percent of 2007 funding will continue to be based on a “per bed” method. Another 15 percent of the allocation will be based on project sponsors’ utilization rates and an additional 15 percent will be based on specific levels of case management that a grantee provides.

Unique Requirements

ESG funds may be used only to provide shelter and services for persons who are homeless.

HOME (including ADDI)

In the 2007 program year, Virginia’s Home Investment Partnership funding will be allocated to the following principal categories of usage:

Anticipated Resources	
DHCD’s 2007 HOME Allocation	\$ 13,498,170
Anticipated Program Income ³	\$300,000
American Dream Downpayment Initiative (ADDI)	\$274,384
Total	\$14,072,554
Proposed Uses	
AHPP (housing development) ⁴	\$4,000,000
Special Needs Housing	\$1,000,000
Homeownership (including ADDI)	\$2,662,554
Indoor Plumbing and Rehabilitation	\$5,000,000
Community Integration Pilot	\$100,000
CHDO operating	\$100,000
HOME Match	\$600,000
State Administration	\$310,000
Total	\$13,772,554

Figure 13

The design of each of the programs has specific measures to provide a fair distribution of available resources. For example, AHPP funds focus first on projects in localities that are non-entitlement communities; projects in HOME entitlement localities receive second priority. The

³ **Program Income**-The HOME Program receives program income each year that enables DHCD to provide additional funds to housing recipients. The amount of program income received each year is reported in the Consolidated Annual Performance and Evaluation Report (CAPER).

⁴ **Community Housing Development Organization (CHDO) Set-Aside:** The HOME regulations require participating jurisdictions to set aside 15% of the annual allocation to fund applications submitted by CHDOs (eligible activities include rental projects and homebuyer unit new construction, and homebuyer unit acquisition/rehabilitation/resale.) Only CHDOs certified by DHCD are eligible to apply under this set-aside. A minimum of 15% or \$2,136,740 of the state’s HOME allocation award is allocated to AHPP and will be restricted for use by CHDOs certified by the state.

2007 HOME Program Allocation

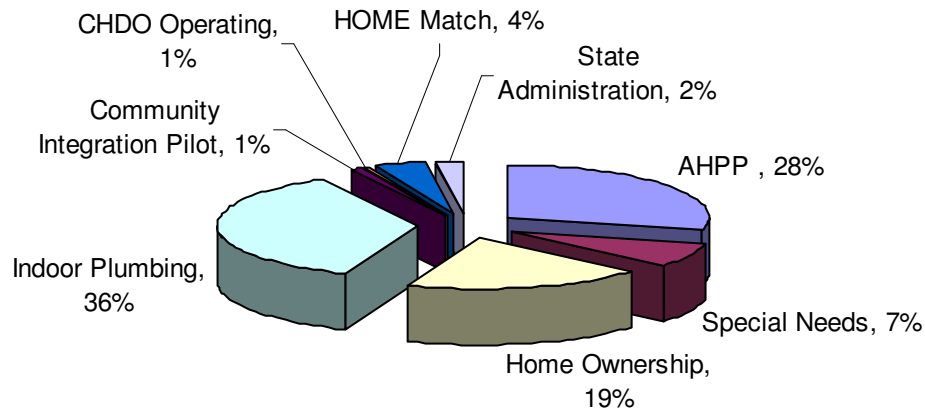


Figure 14

AHPP emphasis is on underserved regions of the state, which include rural communities and those urban areas such as Northern Virginia where extremely high land and development costs preclude housing affordability. DHCD relies on the existing statewide network of 27 CHDO's to participate in meeting this expectation.

The Indoor Plumbing Rehabilitation Program only funds projects in HOME non-entitlement jurisdictions. The IPR Program is limited to 115 eligible cities and counties. The program's 52 current subrecipients serve eligible localities. Subrecipients include local governments, housing authorities, planning district commissions and a wide-range of non-profit organizations whose coverage ranges from multiple jurisdictions to very small organizations with limited capacity. This network allows programs to reach into most parts of the state. To help serve areas of the state that are either not served or are under-served by IPR subrecipients, DHCD now allows subrecipients to "roam to serve units that are completely lacking indoor bathroom outside of the jurisdictions they are contracted to serve."

The HOMEownership Program operates through local partnerships with governmental entities, non-profit housing service providers, and mortgage lenders across the Commonwealth. DHCD uses a network of local administrators to administer the program, offering intake services, housing counseling, and pre-qualification screening for eligibility on a first-come, first-serve basis to serve the various regions of the state. DHCD will extend the contracts of the administrators, based on performance, selected for the 2006 program year by July 1, 2007.

Projects receiving funding through the HUD Continuum of Care (CoC) award process will receive priority through HOME Match. Transitional housing, individual efficiency units (SROs) and permanent supportive housing will be reviewed in collaboration with the local CoC and funded on a first-come, first-serve basis. All areas of Virginia are now covered by a CoC.

Amendment Process

Any change in eligible activities or method of fund distribution that exceeds 15 percent of each program's annual available funds as contained in the Consolidated Plan is subject to an amendment process. The State intends to conduct one public hearing in Richmond for such changes. Notification will be made through DHCD mailing list. A 30 day comment period will be provided.

Performance Reports

Any performance report submitted to HUD relative to the Consolidated Plan is subject to participation and comment. The state provides reasonable notice of the comment period (through newspaper advertisements at least two weeks in advance in the newspapers) and also provides a period not less than 15 days to receive comment on any performance report prior to submission to HUD. A commenter may review the performance report at DHCD's offices after alerting DHCD at least five working days in advance. Summaries of comments received shall be attached to the performance report.

Public Review of Documents

The following documents will be available to the public (citizens, public agencies, and to interested parties) at DHCD's offices if DHCD first receives a request for the document five working days in advance:

- Consolidated Plan,
- Substantial amendments to the Plan,
- Performance reports records relating to the foregoing documents, and
- DHCD's use of assistance available under Community Development Block Grant, HOME, Emergency Shelter Grants, and Housing Opportunities for People with AIDS programs during the five-year period preceding the year of the request.

Note that the Consolidated Plan, substantial amendments to the Plan, and performance report documents will be available upon request in a form accessible to persons with disabilities.

Complaint Process

The State shall provide a substantive, written response to written complaints regarding the Consolidated Plan, substantial amendments to the Plan, and performance reports within 15 working days, where practicable.

DHCD Technical Assistance

DHCD will provide technical assistance to any for-profit or nonprofit affordable housing developer or their agents in preparing and submitting proposals and otherwise pursuing assistance under the HOME Program. This assistance will generally occur via telephone, facsimile transmission, electronic mail, formal meetings, and occasional site visitation.

There are a number of policies, which are applicable to all assistance available under the Virginia HOME Investment Partnership Program.

Match Requirements

The State will satisfy the requirement that it provide a 25 percent match with non-federal funds using the following sources:

- The present value of interest reductions of below-market-rate loans where the project also receives HOME assistance.
- State general revenue funds that are contributed to housing projects assisted with HOME funds and meet the HOME affordability requirements.
- The face value of State mortgage revenue bond loans (multi-family and single family loans).

Affordability Periods

To ensure that HOME investments yield affordable housing over the long term, HOME imposes rent and occupancy requirements over the length of an affordability period. For homebuyer and rental projects, the length of the affordability period depends on the amount of the HOME investment in the property and the nature of the activity funded. The table below provides the affordability periods.

HOME Investment Per Unit	Length of the Affordability Period
Less than \$15,000	5 years
\$15,000-\$40,000	10 years
More than \$40,000	15 years
New construction of rental housing	20 years
Refinancing of rental housing	15 years

Figure 15

Program Income

The State anticipates approximately \$300,000 in program income attributed to the HOME Investment Partnership Fund. This income is in the form of interest earnings on multifamily projects and repayment of HOME funds on rehabilitated owner-occupied units. The program income will be used for other HOME-eligible activities.

The Indoor Plumbing/Rehabilitation Program has continued to be administered as a loan program. Repayments are made based on the homeowner's financial capacity. The subrecipient retains repayments under IPR for use on other HOME-eligible projects. Each subrecipient must develop a plan for using any program income and report program income to the State.

Affirmative Marketing/Minority and Women Business Outreach

DHCD requires that its grantees and or administrators not exclude any organization or individual from participation under any program funded in whole or in part by HOME Program funds on the grounds of age, disability, race, creed, color, national origin, familial status, religion or sex. The following federal requirements are applicable to HOME Program developments:

- Fair Housing Act 24 CFR 100
- Executive Order 11063, as amended 24CFR107 (Equal Opportunity in Housing)
- Title VI of the Civil Rights Act of 1964 24 CFR 1 (Nondiscrimination in Federal Programs.)
- Age Discrimination Act of 1975 24 CFR 146
- Section 504 of the Rehabilitation Act of 1973 24 CFR 8
- Executive Order 11246, as amended 41 CFR 60 (Equal Employment Opportunity Programs.)
- Section 3 of the Housing and Urban Development 24 CFR 135 Act of 1968
- Executive Order 11625, as amended (Minority Business Enterprises)
- Executive Order 12432, as amended (Minority Business Enterprises)
- Executive Order 12138, as amended (Women's Business Enterprise)

DHCD requires sponsors for projects consisting of five or more units to adopt affirmative marketing procedures and requirements. DHCD provides each sponsor with a model affirmative marketing strategy that may be adapted to meet the individual project's specific features. DHCD reviews draft strategies and requires that sponsors submit their final or adopted strategies for review and approval before committing funding. The affirmative marketing procedures and requirements must include the following elements:

- The project sponsor's methods for informing all parties of the fair housing laws
- The policies, requirements and practices that the owner must carry out to assure the widest possible outreach,
- Record keeping requirements, and
- The method to be used to assess the success of the marketing strategy.

Although all housing programs DHCD operates are subject to minority and women's business enterprise outreach requirements, HOME-funded projects are subject to more specific requirements. Project sponsors must initiate practices that facilitate participation by small women-owned and minority enterprises that include the following:

- Dividing procurement for goods, services, and contracts, where possible, into small segments;
- Establishing delivery schedules to encourage their participation;
- Publishing notices via *legal advertisement* in *regional* newspapers of anticipated contracts, services and procurement;
- Maintaining solicitation lists;
- Providing construction contractors copies of this solicitation list; including goals for women-owned and minority business goals in construction contract documents; and

- Maintaining a register of all minority and women-owned enterprises actually used.

Contract documents and individual project goals must be sent to DHCD at the time that the project sponsor is preparing bid specification packages. Project sponsors are responsible for requiring contractors to submit information monthly on minority and women-owned enterprise.

Displacement

Projects causing the displacement of individuals or families are discouraged. HOME applicants whose projects involve relocation or acquisition must submit a relocation assistance plan (technical assistance is available from DHCD staff). All recipients of funds must comply with the provisions of the Uniform Relocation Act and, as applicable, Section 104(d).

Uniform Relocation Act and Section 104(d) Requirements

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) is separate, government-wide legislation that applies to HUD programs such as HOME, CDBG, or Section 108 loan guarantees. It does not apply to other federal guarantees or insurance (e.g., FHA insurance) *nor does it apply to Low-Income Housing Tax Credit programs*. URA is triggered when any of the following occur:

- Displacement of homeowners, tenants, and businesses that results from the acquisition, demolition, or rehabilitation for HUD-assisted projects carried out by public agencies, nonprofit organizations, private developers, or others; or
- Real property acquisition for HUD-assisted projects (whether publicly or privately undertaken).

Typically, projects triggering URA include one or more of the following:

- Property acquisition, including acquisition of vacant lots for homebuyer programs;
- Relocation of homeowners, tenants, or businesses; and
- Homeowner rehabilitation programs where household participation is not voluntary (includes programs where code compliance is used as enforcement mechanism for households to participate in the rehabilitation program).

The URA protects all persons who are displaced by a federally assisted project, regardless of their income. This is in contrast to Section 104(d), which only protects displaced persons whose income is at or below 80% of the area median. Section 104(d) applies to some, but not all, CDBG- or HOME-funded projects, and its requirements differ from URA in several ways, including who is eligible for assistance and what assistance is provided. Section 104(d) requirements may also be triggered in a HOME-assisted project. These requirements focus on the “loss” of low/moderate income housing (both rental and owner occupied) through demolition or conversion. Section 104(d) requires:

- Relocation assistance for displaced low/moderate income families; it does not provide protection or assistance to households with incomes above the Section 8 Low Income Limit; and
- One-for-one replacement of low/moderate income dwelling units that are demolished or converted to another use.

Lead-Based Paint

All HOME funds committed to specific projects after September 15, 2000 must comply with the Lead Based Paint regulations at 24 CFR Part 35. These regulations require the use of trained and certified lead paint professionals and certified abatement contractors. The HOME lead-based paint requirements apply to all activities including acquisition not involving rehabilitation (e.g. down payment assistance programs.) In each HOME-assisted unit, all intact and non-intact interior and exterior surfaces in the assisted unit must be inspected for the presence of defective paint, i.e. cracking, scaling, chipping, peeling, or loose paint. Where defective paint is found, it must be treated to eliminate hazards. At a minimum, treatment is removal of the defective paint and repainting of the surface.

Property Standards

Upon completion of project activities (e.g., acquisition, rehabilitation or new construction), the project must continue to meet minimum property standards including:

- A. Decent, safe, sanitary housing that minimally meets all applicable local and State codes, rehabilitation standards, ordinances, and zoning ordinances including, but not limited to, the State's Building Standard (AS 18.56.300) as implemented by 15 AAC 150.030, Building Energy Efficiency Standard (AS 46.11.040) as implemented by 15 AAC 155.010.
- B. The owner must maintain the assisted housing in compliance with all applicable State and local housing quality standards and code requirements. If there are no such standards or code requirements, the housing must meet the Housing Quality Standards in 24 CFR 982.401 (Section 8 Housing Assistance Payments Program's Housing Quality Standards [HQS]) and comply with HUD's Lead Based Paint Hazard and Control in 24 CFR Part 35. (Also see Chapter 7 § II. Housing Quality Standards Inspections.)

Environmental Review

In implementing the HOME Program, the environmental effects of each activity must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969, and the related authorities listed in HUD's Regulations at 24 CFR Parts 50 and 58. **HOME Program funds cannot be committed until the environmental review process has been completed.** Down payment assistance activities to individual homebuyers are categorically excluded and do not require an Environmental Review (24 CFR Part 92.352).

Program Targeting

A grantee receiving HOME funds must use 100 percent of its HOME funds to assist families with incomes below 80 percent of the area median income. Grantees and Participating Jurisdictions may narrow the income range: DHCD has chosen to prioritize households with incomes at 60 percent or below Area Median Income. In rental facilities, 90 percent of the

occupants of HOME-assisted rental units and households assisted with HOME-funded TBRA must have incomes that are 60 percent or less of the area median. Tenant families with incomes at or below 50 percent of median income must occupy 20 percent of the units in each rental housing project containing five or more units.

Eligible Property Types

HOME rental projects may consist of one or more buildings on a single site, or multiple sites that are under common ownership, management and financing. The project must be assisted with HOME funds as a single undertaking. The project includes all activities associated with the site or building. With publication of the Final Rule, projects are no longer required to be within a four-block area. HOME funds may be used to assist mixed income projects (but only HOME-eligible tenants may occupy HOME-assisted units). Transitional as well as permanent housing, including group homes and Single Room Occupancy (SROs), is allowed. There are no preferences for project or unit size or style.

Prohibited Activities for HOME Funds

- **Project reserve accounts:** HOME funds may not be used to provide project reserve accounts (except for initial operating deficit reserves) or to pay for operation subsidies.
- **Tenant-based rental assistance for certain purposes:** HOME funds may not be used as rental assistance in conjunction with the federal Rental Rehabilitation Program (Section 17) to prevent displacements. They also may not be used for certain mandated existing Section 8 Program uses, such as Section 8 rent subsidies for troubled HUD-insured projects.
- **Match for other programs:** HOME Program funds may not be used as the “nonfederal” match for other federal programs *except* to match McKinney Act funds.
- **Operations or modernization of public housing:** HOME funds may not be used to provide annual contributions for the operation of public housing or to carry out modernization activities in public housing. (Public housing is housing established under the 1937 Housing Act. Public housing modernization activities are defined at 24 CFR Part 968.)
- **Properties receiving assistance under 24 CFR Part 248 (Prepayment of Low-Income Housing Mortgages):** Properties receiving assistance through the Low Income Housing Preservation and Resident Homeownership Act (LIHPRHA) or the Emergency Low Income Preservation Act (ELIHPA) are not eligible for HOME assistance except if the HOME assistance is provided to priority purchasers.
- **Double dipping:** During the first year after project completion, the PJ may commit additional funds to a project. After the first year, no additional HOME funds may be provided to a HOME-assisted project during the relevant period of affordability, *except* that:
 - Rental assistance to families may be renewed.
 - Rental assistance may be provided to families that will occupy housing previously assisted with HOME funds.
 - A homebuyer may be assisted with HOME funds to acquire a unit that was previously assisted with HOME funds.

- **Acquisition of PJ-owned property:** A PJ *may not* use HOME Program funds to reimburse itself for property in its inventory or property purchased for another purpose. However, in anticipation of a HOME project, a PJ may use HOME funds to:
 - Acquire property, or.
 - Reimburse itself for property acquired specifically for a HOME project with other funds.
- **Project-based rental assistance:** HOME funds may not be used for rental assistance if receipt of the funds is tied to occupancy in a particular project. Funds from another source, such as Section 8, may be used for this type of project-based assistance in a HOME-assisted unit. Further, HOME funds may be used for other eligible cost, such as rehabilitation, in example, Section 8 or state-funded project-based assistance.
- **Emergency Shelter** projects are prohibited under HOME funds.

Community Housing Development Organizations

A CHDO is a private nonprofit, community-based service organization whose primary purpose is to provide and develop decent, affordable housing for the community it serves. Certified CHDOs receive certification from a Participating Jurisdiction indicating that they meet certain HOME Program requirements and therefore are eligible for HOME funding. CHDOs receiving their certification through DHCD are eligible to receive HOME funds out of the DHCD HOME grant to cover the cost of projects and operating expenses. Technical assistance is also available to those DHCD-certified CHDOs. (CHDO certification may also be accomplished through a locality designated as a CHDO, however, DHCD's HOME funds are available only to those certified through DHCD.)

The funds that have been set aside for CHDO Operating assistance can be used for the organization's operating support in connection with its expenses in developing a project, and some of the set-aside funds can be used for training CHDOs to help build their capacity and longevity. Some of these funds will also be used for training CHDOs to help build their capacity and longevity. Eligible training activities may include the following but are not limited to:

- Becoming legally incorporated and certified as CHDOs
- Developing and sustaining community partnerships
- Raising private funds to match HOME funds, and for operations
- Effective homeownership counseling and training for prospective homebuyers and renters.
- Planning and managing successful real estate projects

Affordable Housing Preservation and Production Program

A competitive application process is the Commonwealth's method of distributing funding for homebuyer and rental development activities. The Affordable Housing Preservation and Production (AHPP) program provides flexible, below-market-rate loans to projects that create or preserve affordable housing for lower-income Virginians.

DHCD uses the following avenues to communicate about the availability and the nature of its HOME-funded activities, including other funds linked to the AHPP.

- Annual Governor's Housing Conference;

- Website;
- Participation with various advisory teams and committees;
- Contact lists within the affordable housing development community;
- Press releases;
- Collaboration with affordable housing partners; and
- Application workshops.

HOME funds assigned to the AHPP program will be distributed on a quarterly basis through a competitive application process that evaluates applicant projects on:

- Meeting critical needs—worth 50 points
- Feasibility (likelihood of projects coming to a timely completion) –worth 30 points
- Developer capacity (ability to successfully complete projects and deliver affordable housing) –worth 20 points

All applications received by the deadline for the quarter will be reviewed by DHCD staff. Applications not meeting established thresholds for funding will not be eligible for funding during the quarter that the application was received, but will receive comments and feedback from DHCD staff and will be allowed to reapply during the subsequent quarters. The remaining applications will then be ranked and the highest scoring applicants will receive a funding commitment from DHCD based on project needs, up to amount of funds available for the quarter.

Applicants that have outstanding audit or monitoring findings, unresolved IRS findings, and/or applicants not in compliance with previous DHCD agreements are ineligible for funding.

Eligible applicants must be qualified developers of affordable housing, including certified CHDOs undertaking CHDO-eligible activities throughout the Commonwealth of Virginia. All funds are intended for use with other types of financing including, but not limited to, low income housing tax credits, bond financing, and other public and private funds. In addition to the CHDO requirement, applicants for AHPP funds must be an owner, developer or sponsor of the project.

AHPP funds are only disbursed at the completion of construction, when DHCD takes out 100 percent of the construction financing. For multifamily construction, DHCD can reserve financial commitments up to two years before a project is completed and HOME funds are requested to take out construction loans. For homeownership projects, HOME funds can be disbursed during the construction phase in three intervals of 30 percent (based on a matching percentage of completed construction); with the remaining 10 percent disbursed at the issuance of the certificate of occupancy and the submission of the project close-out report.

Any entity including private non-profits and for-profit organizations and public housing authorities may apply for these resources. DHCD intends to serve only those CHDOs serving within state program areas (primarily non-metropolitan communities). Other entitlement PJs will have to certify their own CHDOs and be accountable to ensure they do not exceed funding limits for operating/technical assistance support. In the case of regional organizations (e.g., consortia) comprising communities lying both within the program area of the state and of other

participating jurisdiction areas, DHCD would certify only those lying within the state's jurisdiction.

Eligible projects for AHPP program funding include:

- Rental housing properties can be single-family detached, duplexes, etc.; homes can be scattered-site but should be in reasonable proximity (i.e. neighborhood); and congregate housing and single room occupancies are included in this category;
- Homeownership (CHDO only) is defined as units developed for sale to lower-income, first-time homebuyers. Short-term lease/purchase projects (lease period not more than three 3 years) are considered homeownership projects.

HOME Program subsidies are subject to a maximum per-unit subsidy limit.

The state does *not* intend to use HOME funds to refinance existing debt secured by multifamily housing being rehabilitated with HOME funds. Therefore, it has not adopted guidelines defining the conditions under which it would refinance existing debt. If the state elects to use HOME funds for such a purpose, it will propose guidelines in accordance with 24 CFR 92.206(b). These will address project eligibility, need and feasibility, whether the investment is intended to preserve or create affordable units, the specification of eligible geographic areas, and the prohibition against using HOME funds to refinance multifamily loans for properties made or insured by any federal program, including CDBG.

AHPP funds are available to the extent that a gap exists in the permanent financing for an eligible project and the funding requested has a positive impact on the affordability of the housing provided. DHCD and its underwriters reserve the right to recommend increases or decreases to fund requests based on cash flow, rents, other financing, etc. Generally, however, loans will be limited to \$500,000 per project or the maximum allowed based on maximum per unit subsidies allowable under the HOME program, whichever is the lesser. DHCD reserves the right to fund projects at an amount greater than \$500,000 under special circumstances. In tax credit deals the maximum subsidy may be affected by the percentage of federal funds that can be used while remaining in compliance with the requirements of the tax credit program.

Successful applicants for multifamily and single-family new construction must submit an analysis relating to site and neighborhood standards. Specifically, an analysis indicating that the proposed project site addresses all of the following elements:

- Is adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Has adequate water, sewer, gas and electric;
- Has streets available to service the site;
- Is capable of complying with applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Executive Order 11063 and implementing HUD regulations;
- Is not located in an area of minority concentration nor is it located in a racially mixed area such that it will cause a significant increase in the proportion of minority to non-minority residents in the area;

- Promotes greater choice of housing opportunities, yet is not resulting in a concentration of assisted persons in an area that already has a high proportion of low-income persons;
- Is not “seriously detrimental” to family life nor characterized by substandard dwellings or other undesirable conditions;
- Will support housing accessible to social, recreational, commercial and health facilities and services that are at least equivalent to those typically found in neighborhoods consisting of unassisted standard housing of similar market rents; and
- Does not impose excessive travel time and cost via public transportation or private auto for low-income workers.

For new construction of multi-family rental housing the *Period of Affordability* is 20 years. For acquisition combined with rehabilitation of multi-family rental housing, the Period of Affordability is 15 years.

Indoor Plumbing Rehabilitation Program

The Indoor plumbing Rehabilitation Loan Program only funds projects in HOME non-entitlement jurisdictions. The IPR Program is limited to 107 eligible cities and counties. Subrecipients include local governments, housing authorities, planning district commissions and a range of non-profit organizations covering multiple jurisdictions. This network allows programs to reach into most parts of the state. In order to help serve areas of the state that are not served or are under-served by IPR subrecipients, DHCD now allows subrecipients to “roam to serve units that are completely lacking indoor bathroom outside of the jurisdictions they are contracted to serve.”

The Indoor Plumbing Rehabilitation/Loan Program (IPR) provides zero percent interest forgivable loans in nonentitlement cities and counties of Virginia to low- and moderate-income (LMI) owner-occupants of substandard housing where indoor plumbing does not exist or where the existing water delivery or waste disposal system has failed. The program also provides for the general rehabilitation of these units, and for accessibility improvements or relief from overcrowded conditions, as needed, once the primary income, ownership and failed plumbing criteria are met.

The Virginia Department of Housing and Community Development initiated the IPR Program and operated it since 1989, using a combination of state appropriations and federal HOME Program funds .

Over the years, the IPR program works to meet the needs of its clients and subrecipients, while upholding programmatic regulations and the major policy guidance of the Board of Housing and Community Development. The Department contracts with subrecipients (local governments, non-profit housing providers, and housing authorities) to provide local administration of the IPR program. The subrecipients are responsible for most program operations including outreach, application intake, beneficiary and property eligibility determination, financial packaging, construction management, and loan servicing. Each subrecipient has direct ties to the community via its local housing rehabilitation advisory board. Each beneficiary household receives training in house maintenance, cleaning, and budgeting.

The key tenets of the Indoor Plumbing Rehabilitation Program are:

- Only owner occupied houses that lack functional indoor plumbing qualify for assistance;
- Program beneficiaries repay loans based upon ability to pay; and
- Self-help and homeownership opportunities create responsibility for ongoing property maintenance and increase wealth for lower-income participants.

All IPR Programs being funded in whole or part by DHCD must operate according to a written Program Management Plan (PMP) including any revisions that has been adopted by the subrecipient governing body.

A Rehabilitation Oversight Board must oversee the provision of the program benefits and supervise the implementation of the adopted PMP. The Rehab Board may be the jurisdiction's governing body, the non-profit's board of director's or a specially-appointed board which has this program as its only responsibility. The rehab board must be composed of at least three members with at least one resident from each locality served by the sub recipient being a part of this membership. The Rehab Board must have a Chief Executive for local government's administering its own IPR program. Three members must be present to conduct business. The grant administrator, rehab specialist and any other person involved in the daily oversight can not be a voting member. Minutes must be taken at the meetings. Please read Chapter 5 of the IPR manual for more details.

Project/Applicant Eligibility

Locations that are not entitlement-eligible for both CDBG and HOME are eligible for an IPR allocation.

Funding Thresholds

Loan repayments are determined by the homeowner's ability to make payments based on household income, utility costs, and fixed housing costs. Applicants may not pay more than 25 percent of their adjusted gross income for repayment of the loan and other related housing costs. Loans are amortized over a ten-year (120 month) period. They are secured by a lien on the property, which is proportionately forgiven over the ten-year term.

The cost limits for rehab and for substantial reconstruction assume that the unit in question is a two-bedroom unit. If the unit to be rehabilitated or the unit at the completion of the substantial reconstruction contains more than two bedrooms, the exception rules apply. Because of the need to maximize production and limit costs, the leveraging of other funds is strongly encouraged especially through participation of the property owner. The following tables details cost limits by project type:

Administrative costs are based on performance varied by the complexity of administrative work on a given house. See chart for amounts. DHCD will provide an additional 5 percent in leverage-related administrative funds, not to exceed the \$300.00 per unit. CDBG, IPR and other DHCD involved supplemental funds may not leverage each other.

The subrecipient may obligate up to 1 percent of base construction costs per unit up to a maximum allowable cost of \$250.00 based on the actual documented costs to carry out a home maintenance education. These costs are not intended to cover staff or rehab specialist time for training delivery. This is intended to cover items such as cleaning kits and tool kits.

Each subrecipient who purchases a HEPA vacuum will be reimbursed at an allowance of \$200.00 per house completed until the total cost of the vacuum (up to \$1,000) has been received. A copy of the invoice must be submitted to DHCD with first request for payment.

Homeownership Assistance

The HOMEownership Assistance Program (HAP), formerly named the Single Family Regional Loan Fund, operates through local partnerships with governmental entities, non-profit housing service providers, and mortgage lenders across the Commonwealth. DHCD uses a network of grant administrators who conduct intake services, pre-qualification screening for eligibility, and offer housing counseling on a first-come, first-serve basis in various regions of the state. DHCD will continue to use the administrators selected in the 2006 Program Year.

Homebuyers' participation in this fund will be limited to credit-eligible buyers at or below 80 percent AMI as defined by HUD based on household size and geographic location of the assisted property. Borrowers with total household incomes in excess of 80 percent AMI will not be eligible for funding support. Eligible applicants must receive a loan commitment for a first mortgage product approved by Virginia Housing Development Authority (VHDA) or an approved VHDA lender.

Program administrators are given an incentive of an additional \$300 processing fee for all clients served at or below 60 percent or below AMI.

Program administrators that have outstanding audit or monitoring findings, unresolved IRS findings, and/or applicants not in compliance with previous DHCD agreements are ineligible for funding.

Applicants for assistance must be U.S. citizens, other nationals or qualified alien persons and meet eligibility requirements for first-time homebuyers as defined by HUD (purchasers that have never owned a home before, held primary ownership in a principle residence within the most recent three-year period, or displaced homemaker). Other program requirements include the successful completion of a certified Homebuyer Education Course (VHDA or NeighborWorks®), possession of a signed purchase offer for a single-family dwelling and funding commitment, contribution of the lesser of \$500 or one percent of the sales price of the home from their own funds towards the purchase of the home.

Any property that is the subject of a homebuyer's purchase as part of this program must be successfully inspected to meet the HUD Housing Quality Standards, and a complete FHA appraisal must be conducted on all assisted properties. Home values may not exceed 95 percent of the median sales prices of homes in the area.

Examples of Eligible First Mortgage Products include:

- VHDA SFRLF mortgages
- VHDA First Choice mortgages
- VHDA Flex/Alt 100
- VHDA SPARC mortgages for borrowers up to 80 percent AMI
- BB&T Community Homeownership Incentive Program (CHIP) mortgages
- SunTrust 97 percent Flex mortgages
- Fixed Rate FHA 30 Year mortgages originated with a DHCD approved lender
- Rural Housing Services Guaranteed or Direct Loans

Other CRA affordable mortgage products approved for use by DHCD that demonstrate interest rates and key terms that benefit the homebuyer throughout the term of the loan: i.e. Community Gold products, 5/1 or 7/1 ARMs used in concert with DHCD Five-Year Deferred Payment Loans and 10/1 ARMs used in concert with DHCD 10-Year Deferred Payment Loans.

Income, defined by Section 8, part 5, is derived from any combination of the following:

- Wages, salaries, tips, etc.,
- Business Income
- Interest & Dividend Income
- Retirement & Insurance Income
- Unemployment & Disability Income
- Welfare Assistance
- Alimony, Child Support, & Gift Income
- Armed Forces Income

Funding for this initiative will be based on DHCD's annual HOME allocation from HUD. Every attempt will be made to identify at minimum one organization per PDC or Continuum of Care to administer DHCD HOME monies at the local level. The amount of each award will be driven by the previous year's performance of the administrator as evidenced by the number of closed loans.

Funding to eligible homebuyers under this program is limited to down payment and closing cost assistance only. Loan packages submitted for funding consideration will not exceed 95 percent LTV or a CLTV of 108 percent. Borrowers must meet normal mortgage underwriting criteria which demonstrate creditworthiness and occupy the HOME-assisted property as their primary residence.

DHCD will continue to use the administrators selected in the 2006 program year. Administrators will be notified in writing and forwarded a letter of intent and contract to cover homeownership assistance activities beginning July 1 and ending June 30 of the following year. The process and awards shall be contingent upon HUD approval of DHCD's annual Action Plan.

The housing acquired by homebuyers is subject to recapture restrictions to ensure the family continues to occupy the housing as its principal residence for a period of five to 15 years,

depending on the amount of HOME assistance. Under the recapture provision, DHCD will recover HOME assistance provided at settlement to the homebuyer if the housing does not continue to be the principal residence of the qualified low-income family that purchased the unit during the period of affordability as described in 24 CFR 92.254. For homeownership housing, the family must be low-income and the housing must be occupied as the family's principal residence.

DHCD will ensure that all reasonable steps are taken to minimize the displacement of persons living in properties that are acquired by HOME funding. DHCD and its subrecipients will ensure that the seller of the acquired property is notified, in writing, that the prospective homebuyer does *not* have the power of eminent domain and, therefore, will not acquire the property if negotiations fail to result in an amicable agreement. The seller must be informed, in writing by DHCD or its subrecipients, of the estimate of the fair market value of the property.

HOME-assisted homeownership housing must meet HUD-established guidelines. For acquisition of housing by a homebuyer, the DHCD HOME Program requires the housing to:

- be a single family housing unit;
- have a sales price or value that does not exceed 95 percent of the median purchase price for single family housing in the area;
- be purchased by a family that qualifies as low-income, and that will occupy the property as its principal residence;
- remain affordable for a period of five to fifteen years, as described at §92.254(a)(4);
- be subject to either the resale or recapture provisions described at §92.254(a)(5).

HUD (24 CFR Part 3280) defines a manufactured home in §3280.2.A manufactured home is built in sections in a factory, possesses a permanent chassis (defined at 24 CFR 3280.902 (a)), and must be designed and manufactured in compliance with the MHCSS. A modular home is built in sections in a factory to meet state, local or regional building codes. Once assembled, the modular unit becomes permanently fixed to one site.

American Dream Downpayment Initiative

The American Dream Downpayment Initiative (ADDI) is administered under the HOME Program. The funds available for this program are in addition to DHCD's yearly HOME Allocation, and effectively increase the availability of funding to dedicate for homeownership programs in Virginia. Some provisions and rules of this program differ from the HOME Program Rules regarding down payment assistance. DHCD is limiting these funds to be used for "first-time" homebuyer activities at a maximum cap of \$10,000 per case.

The goal of the ADDI program is to:

- Increase the overall homeownership rate, especially among minority groups who have lower rates of homeownership compared to the national average.
- Revitalize, stabilize communities.

Eligibility Requirements include:

- The focus is on low-income families who are also first-time homebuyers. To participate, recipients must have annual incomes that do not exceed 60 percent of the area median income.
- Under ADDI, a first-time homebuyer is an individual and his or her spouse who have not owned a home during the three-year period prior to purchase of a home with assistance under ADDI.
- Single-family housing means a one- to four-family residence, condominium unit, cooperative unit, combination of manufactured housing and lot, or manufactured housing lot.
- Eligible costs included under Virginia's program include downpayment acquisition costs and related reasonable and necessary soft costs.

Funding is made available and intended to provide mortgages to those households that cannot financially qualify for other mortgage products. The funding is targeted to those households with incomes not exceeding 60 percent of the area median income (AMI).

All ADDI funds are reserved for first-time homebuyers who are defined as not having an ownership interest in a primary residence within the past three years. DHCD reserves the right to review all loan applications for primary loans originated by other lenders when ADDI funds are requested. ADDI funds must be in second lien position unless otherwise approved by DHCD.

The homebuyer is expected to contribute the lesser of \$500 or one percent of the sales price of the home from the homebuyer's own funds towards the purchase of the home. The contribution may include fees paid by the borrower at the time of application (appraisal fee, credit report fee) and the earnest money deposit. The homebuyer's required contribution cannot be made by a third party, Regional Administrator or non-profit. All loans will be originated and underwritten using the required contribution.

Because it is difficult to determine the exact amount needed to close a loan, the homebuyer should be notified that they may be required to provide up to an *additional* one-half percent of the purchase price at closing. The Regional Administrator may also allow the final contribution to be as low as one half percent of the purchase price. Funding needs outside of these parameters, either more or less, may require an adjustment in the amount of ADDI funds, not to exceed the program maximums.

Program Administration:

- ADDI is currently administered as a part of DHCD's existing HOMEownership Downpayment and closing cost assistance program.

- DHCD has integrated its ADDI funds in partnership with other state resources including the HOME program, and has attempted to give preference to rural areas, special needs populations, and to support home ownership in the state's high-cost areas.
- Families may use the subsidy for down payment assistance, such as closing costs and interest reduction.
- Under the ADDI statute, the amount of ADDI assistance provided to any low-income family cannot exceed the greater of six percent of the purchase price of a single family housing unit or \$10,000.

Program administrators that have outstanding audit or monitoring findings, unresolved IRS findings, and/or applicants not in compliance with previous DHCD agreements are ineligible for funding.

ADDI funding has been allocated to support first mortgage loan resources allocated by the Virginia Housing Development Authority, in conjunction with the traditional HOME funding. For each \$1,000 of leveraged mortgage financing, the HOME Program allocates up to 10 percent of the sales price. It also provides an additional \$2,500 to cover down payment and/or closing costs in a circumstance where the seller provides no closing cost assistance. After earmarking funds to cover first mortgage loan commitments, additional HOME and/or ADDI monies are awarded to each Regional Administrator. All contract agreements are limited to a one-year term. All unused ADDI and HOME funding available at the program year will be reallocated for use by other Regional Administering organizations; however, these may be extended by written agreement.

DHCD provides ADDI and HOME funds to regional administrators for use as down payment and closing cost assistance. Any structure of HOME funds must comply with the federal HOME Investment Partnership Final Rule at 24 CFR Part 92. Any structure of ADDI funds must comply with the program requirements found at 24 CFR 91.220.

Based on its experience to date, DHCD anticipates that 50 percent of first-time homebuyers will come from minority populations.

Local partners will be required to uphold all affirmative fair marketing, fair housing, and equal employment practices as outlined in the annual contract agreement and program summary as prescribed below. Local Administrators must undertake one of the activities highlighted below on an annual basis in order to meet the affirmative marketing requirement outlined in their contract agreement. The activity may be any from the following list or it may be one that has been specifically approved by a DHCD Program Administrator.

- Adopt a resolution endorsing the concept of fair housing and advertise its wording through the local media.
- Enact a local fair housing ordinance substantially equivalent to the federal or state law.

- Provide all clients of your organization with a copy of the Department of Professional and Occupational Regulation (DPOR) fair housing brochure, (804) 367-8530 or a brochure from DHCD, (804) 371-7000.
- Attend a Fair Housing workshop. Be aware that two persons from your organization must attend; the Executive Director and at least one Board member. The workshop must be approved by DHCD. *NOTE: Attending a Fair Housing workshop or seminar may not be used in successive years.*
- Conduct a public educational program for local housing consumers and providers and/or financial institutions regarding fair housing issues and laws.
- Develop or fund a community based fair housing organization.
- Develop a fair housing assistance program to make housing opportunities known to minorities, to monitor compliance, and to refer discrimination complaints to the proper authorities.
- Assess the special housing problems of minorities and women, through surveys, etc., and determine any effects of discrimination. Develop a plan to assist in overcoming these effects.
- Enlist the participation of local realtors, lenders and homebuilders in an agreement and promote affirmative fair housing and review of underwriting/credit criteria. Publish the agreement in the local newspaper.
- Develop a public information network using local newspapers, radio stations, bulletin boards, churches, utility bill mailings, and the like to ensure that all segments of the community are aware of fair housing requirements, especially realtors, landlords, financial institutions, and minority households.

Repayment of the HOME subsidy to DHCD will be required if the homeowner does not occupy the property as its primary residency during the period of affordability as demonstrated in the second deed of trust. Second deeds of trust can only be subordinated to third under the following circumstances:

If the homeowner is refinancing original mortgage to improve the primary mortgage rate by one full point, DHCD will subordinate. Participants may only include their closing cost in the refinancing.

In all cases, loan documentation must be provided to DHCD for advance consideration. DHCD must ensure that all requirements have been met before the new loan closes. The value of liens against the property must not exceed 105 percent of the property's assessed value. If the borrower pays off the first lien, the second lien will be due and payable; the two loans are connected in this regard.

Repayment of the HOME subsidy to DHCD will be required if the homeowner does not remain the principal resident of the home which was subsidized with HOME dollars for the duration of the HUD-imposed period of affordability.

Priority Funding Program – HOME MATCH

HUD's Supportive Housing Program (SHP), as authorized by Title IV, Subtitle C, of the McKinney-Vento Homeless Assistance Act of 1987, as amended, is designed to promote, as part of a local Continuum of Care strategy, the development of supportive housing and supportive services. These units assist homeless persons in making the transition from homelessness and to living as independently as possible.

Funds provided for acquisition, rehabilitation, and new construction through HUD's SHP, must be matched by the recipient with an equal amount of funds from other sources. The cash source may be the recipient, the Federal Government, State and local governments, or private resources. The Virginia HOME Investment Partnership – Match Program (HOME Match Program) provides funds for the required match for projects involving acquisition, rehabilitation, or new construction. These matching funds must be used for bricks and mortar and not for supportive services.

The Supportive Housing Program (SHP) is one of the McKinney-Vento Homeless Assistance Act programs designed to move homeless persons from streets and shelters to permanent housing and maximum self-sufficiency. A person must be homeless in order to receive assistance under SHP. Applicants identify their target population in the initial application. This application is incorporated into the grant agreement and, therefore, guides implementation of the grant. Significant changes to the project must receive prior HUD approval. The category of persons to be served, or target population of the project, is specifically mentioned in the SHP regulations at 24 CFR 583.405.

HOME funds are used as match for Supportive Housing Program projects for facilities to house the homeless. The HOME Match for the Supportive Housing Program offers all or a portion of the required 50 percent match for the costs of acquisition, new construction or rehabilitation for supportive housing projects in Virginia that are funded through the Continuum of Care Homeless Assistance/Supportive Housing Program.

Funding priority is given to Supportive Housing Program grantees located outside HOME entitlement jurisdictions and consortiums. If requests are significantly greater than the available funds, projects are evaluated through a competitive process. The priority ranking of the project in the local or regional Continuum of Care is considered.

Eligible applicants are those who received awards through the Continuum of Care Homeless Assistance/Supportive Housing Program for acquisition, new construction or rehabilitation for supportive housing projects in Virginia. All projects must be related to the structures, transitional housing or permanent housing, where program beneficiaries will reside.

Priority will be given to Supportive Housing Program grantees located *outside* of the following HOME entitlement jurisdictions and consortia: Cities of Arlington, Alexandria, Charlottesville,

Danville, Hampton, Lynchburg, Newport News, Norfolk, Portsmouth, Richmond, Roanoke, Suffolk, Virginia Beach, and the Counties of Chesterfield, Fairfax, Henrico and Prince William County.

HOME match funds may be used for the acquisition, rehabilitation, and/or new construction costs of structures to be used for supportive housing. Costs must be related to the structures, transitional housing or permanent housing where program beneficiaries will reside. Funds for new construction are limited to those projects with less than twelve units. To receive assistance from projects funded under the Supportive Housing Program, the people served must be homeless. However, projects that propose serving other populations may be considered for funding.

Applicants who propose to serve these populations must make clear in their applications that they (a) understand that persons are eligible only if they have no subsequent residence identified and lack the resources and support networks needed to access housing and (b) propose to serve only eligible persons. Applicants that are selected for funding must document how it was determined that such persons did not have the resources or support network needed to obtain housing.

Funds are not available to projects using Home Investment Partnerships (HOME) Program funds through another source (i.e. your local government). Funds are not available for office space, operating costs of supportive housing, including personnel; acquisition, rehabilitation or new construction of facilities where supportive services only are to be provided; or the direct provision of supportive services.

Awards are limited to the lesser of the amount of Supportive Housing Program funds for acquisition, rehabilitation or new construction, or the HOME Program per unit subsidy limits, generally not to exceed \$200,000. Funds for new construction are limited to those projects with less than twelve units. As stated previously, funding priority is given to Supportive Housing Program grantees located outside HOME entitlement jurisdictions and consortiums. To achieve geographic diversity and/or increase the number of projects funded, DHCD reserves the right to award less than the match amount required.

Award recipients are required to use facilities, financed in part with HOME matching funds, to house formerly homeless Virginians for a time period mandated by the HOME regulations contained at 24 CFR Part 92. This period, known as the *affordability period*, is determined by the amount of HOME assistance per unit (see the table on pages IV-16).

Special Needs Housing

The goal of the Special Needs Housing Program is to increase available housing with support services to:

- Formerly homeless individuals and families;
- Disabled;
- Elderly;
- Youth aging out of foster care;

- Ex-offenders; and
- Other special need populations.

DHCD uses the following avenues to communicate about the availability and the nature of its HOME-funded activities, including other funds linked to the AHPP and the Special Need Housing program:

- Annual Governor’s Housing Conference;
- Website;
- Participation with various advisory teams and committees;
- Contact lists within the affordable housing development community;
- Press releases;
- Collaboration with affordable housing partners; and
- Application workshops.

HOME funds assigned to the Special Needs Housing program will be distributed on a quarterly basis through a competitive application process that evaluates applicant projects on:

- Meeting critical needs—worth 50 points
- Feasibility (likelihood of projects coming to a timely completion) –worth 30 points
- Developer capacity (ability to successfully complete projects and deliver affordable housing) –worth 20 points

All applications received by the deadline for the quarter will be reviewed by DHCD staff. Applications not meeting established thresholds for funding will not be eligible for funding during the quarter that the application was received, but will receive comments and feedback from DHCD staff and will be allowed to reapply during the subsequent quarters. The remaining applications will then be ranked and the highest scoring applicants will receive a funding commitment from DHCD based on project needs, up to amount of funds available for the quarter.

Applicants that have outstanding audit or monitoring findings, unresolved IRS findings, and/or applicants not in compliance with previous DHCD agreements are ineligible for funding.

Eligible applicants must be qualified developers of affordable housing, including certified CHDOs undertaking CHDO-eligible activities throughout the Commonwealth of Virginia. All funds are intended for use with other types of financing including, but not limited to, low income housing tax credits, bond financing, and other public and private funds. In addition to the CHDO requirement, applicants for AHPP funds must be an owner, developer or sponsor of the project.

For multifamily construction, DHCD can reserve financial commitments up to two years before a project is completed and HOME funds are requested to take out construction loans. For homeownership projects, HOME funds can be disbursed during the construction phase in three intervals of 30 percent (based on a matching percentage of completed construction); with the remaining 10 percent disbursed at the issuance of the certificate of occupancy and the submission of the project close-out report.

Any entity including private non-profits and for-profit organizations and public housing authorities may apply for these resources. DHCD intends to serve only those CHDOs serving within state program areas (primarily non-metropolitan communities). Other entitlement PJs will have to certify their own CHDOs and be accountable to ensure they do not exceed funding limits for operating/technical assistance support. In the case of regional organizations (e.g., consortia) comprising communities lying both within the program area of the state and of other participating jurisdiction areas, DHCD would certify only those lying within the state's jurisdiction.

Eligible projects for the Special Needs Housing program funding include:

- Rental housing properties can be single-family detached, duplexes, etc.; homes can be scattered-site but should be in reasonable proximity (i.e. neighborhood); and congregate housing and single room occupancies are included in this category;
- Homeownership (CHDO only) is defined as units developed for sale to lower-income, first-time homebuyers. Short-term lease/purchase projects (lease period not more than three 3 years) are considered homeownership projects.

HOME Program subsidies are subject to a maximum per-unit subsidy limit.

The state does ***not*** intend to use HOME funds to refinance existing debt secured by multifamily housing being rehabilitated with HOME funds. Therefore, it has not adopted guidelines defining the conditions under which it would refinance existing debt. If the state elects to use HOME funds for such a purpose, it will propose guidelines in accordance with 24 CFR 92.206(b). These will address project eligibility, need and feasibility, whether the investment is intended to preserve or create affordable units, the specification of eligible geographic areas, and the prohibition against using HOME funds to refinance multifamily loans for properties made or insured by any federal program, including CDBG.

The Special Needs Housing funds are available to the extent that a gap exists in the permanent financing for an eligible project and the funding requested has a positive impact on the affordability of the housing provided. DHCD and its underwriters reserve the right to recommend increases or decreases to fund requests based on cash flow, rents, other financing, etc. Generally, however, loans will be limited to \$500,000 per project or the maximum allowed based on maximum per unit subsidies allowable under the HOME program, whichever is the lesser. DHCD reserves the right to fund projects at an amount greater than \$500,000 under special circumstances. In tax credit deals the maximum subsidy may be affected by the percentage of federal funds that can be used while remaining in compliance with the requirements of the tax credit program.

Successful applicants for multifamily and single-family new construction must submit an analysis relating to site and neighborhood standards. Specifically, an analysis indicating that the proposed project site addresses all of the following elements:

- Is adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Has adequate water, sewer, gas and electric;
- Has streets available to service the site;
- Is capable of complying with applicable provisions of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, Executive Order 11063 and implementing HUD regulations;
- Is not located in an area of minority concentration nor is it located in a racially mixed area such that it will cause a significant increase in the proportion of minority to non-minority residents in the area;
- Promotes greater choice of housing opportunities, yet is not resulting in a concentration of assisted persons in an area that already has a high proportion of low-income persons;
- Is not “seriously detrimental” to family life nor characterized by substandard dwellings or other undesirable conditions;
- Will support housing accessible to social, recreational, commercial and health facilities and services that are at least equivalent to those typically found in neighborhoods consisting of unassisted standard housing of similar market rents; and
- Does not impose excessive travel time and cost via public transportation or private auto for low-income workers.

For new construction of multi-family rental housing the *Period of Affordability* is 20 years. For acquisition combined with rehabilitation of multi-family rental housing, the Period of Affordability is 15 years.

Eligible applicants for the funding are nonprofit organizations, units of local government and public housing authorities who currently provide, or plan to provide, shelter and services to homeless individuals or families and other special needs populations.

Funds may be used for any of the following in accordance with the identified need and the scope of the planned project:

- Rehabilitation of existing properties to address accessibility, safety and compliance with requirements of the Uniform Statewide Building Code;
- Purchase and/or rehabilitation of residential and non-residential properties into single room occupancy, supportive housing or transitional housing facilities;
- New construction of facilities including the including the costs of land acquisition, construction (new construction includes “additions” built on to an exterior wall of an existing facility);

CHDO Operating Assistance

CHDOs that are certified by DHCD as a “state-certified” CHDO are eligible to apply for CHDO Operating Assistance funds. CHDO Operating Assistance is based on the development of a specific project. In other words, a project must have been identified and “ready” to commence at the time the CHDO Operating Assistance is requested, or that the work will commence within 24 months of executing the agreement to accept the CHDO Operating Assistance. Operating Assistance funds provide operating support to secure the technical assistance and training necessary to obtain Set-Aside funds that are specifically earmarked for CHDO projects that

provide affordable housing. Further, it is important to understand that these funds are intended to provide general operating support during the development and construction of CHDO Set-Aside funded affordable housing projects. This funding support program is intended to assist organizations that can demonstrate a need for operating support. The applicants must comply with HOME rules and regulations.

The program funding window is open until funds are depleted.

The following guidelines apply:

- Applicant must be certified by the state to work in the area where the project is located;
- Applicant's funding may not exceed five projects;
- Applicant must possess a demonstrated history of serving the area or community within which HOME-assisted housing will be located (usually this is evidenced by documentation of a minimum of one year of experience of service;
- Applicant must provide a evidence of their AHPP loan commitment from DHCD; and

Funds may be used for operational expenses as follows:

- Salaries, Wages, and Benefits;
- Rent and Utilities;
- Training and Travel;
- Technical Assistance;
- Equipment and Supplies;
- Internet Access and Communications; and
- Contracted Professional Services.

Funds may not be used for costs associated with the actual project. The term of the grant agreement is 12 months with options for 12- month extensions for each project.

An organization may receive the greater of \$50,000 or 50 percent of their operating budget for the year in which the application is made. The funds are made available to state-certified CHDOs on a first-come first-serve basis to those meeting capacity thresholds.

CHDO not in compliance with DHCD funding agreements are not eligible for new funding.

The program requires a 25 percent cash match, which may be met by local government, state government, or private funds. The match must be applied to operating expenses. Funds received for administering other programs may not be used as match. The applicant must have at least 25 percent of the total cash match requirement on hand at time that the grant agreement is executed. A source document must be submitted along with the application to verify the availability of funds.

Paid invoices must be submitted with each programmatic and financial report in order to receive funding draws. Paid invoices will be reimbursed at a rate of 75 percent. The remaining 25 percent will be held back and represents the applicant's portion of the cash match.

Applicants are required to submit a work plan with organizational and project milestones. For funds used to support salaries, the applicant will be required to provide evidence of sound employment practices which include copies of employment policies, job descriptions, and resumes and credentials of employees. Applicants receiving Operating Assistance will be required to provide copies of approved conflict of interest and procurement policies, participate in the Consolidated Planning Process, participate in a minimum of one fair housing activity every year, and submit a Comprehensive Organizational Plan with annual updates.

Virginia's 27 Certified CHDOs emphasize assisting in the development of decent, affordable, safe, accessible and quality structures for the underserved areas in the state as well as for the areas where low to very low-income persons face severe affordability barriers.

Community Integration Rental Assistance Pilot

DHCD, working with the Department of Medical Assistance Service (DMAS), will pilot a program during the 2007 program year that moves clients from institutional settings (e.g., nursing home) into community housing. DMAS will play the lead role of identifying clients that are eligible and appropriate for community-based housing, intake, case management, and assuring ongoing rental assistance. DHCD will leverage HOME dollars to provide:

- Short term tenant based rental assistance (bridge funding)
- Security Deposit
- Utility Deposit

This pilot will target 15 individuals with disabilities transitioning to community-based housing.

The maximum amount of security deposits paid will be the equivalent of two months rent. Only the tenant (not the landlord) can apply for security deposit assistance. The lease between the landlord and the tenant may not contain certain prohibited lease provisions and must be in effect for at least a year. The security deposit may be paid directly to the tenant or the landlord. Utility deposit assistance will be provided only in conjunction with the security deposits assistance.

The amount that client pay for rent are at minimum 10 percent of monthly income, but no more than 30 percent (based on assessment of total household expenses). Rental assistance contract will be for the duration of the bridge period to be determined prior to written commitment.

Ineligible Program Activities

- Assistance may not be used to assist a resident homeowner.
- Assistance may not be used to prevent the displacement of tenants from projects assisted with Rental Rehabilitation Program funds.
- Assistance may not be provided to homeless person for overnight or temporary shelter.
- Assistance may not duplicate rent assistance that a tenant already receives.

Income Eligibility Requirements

Assistance is limited to those at or below the HUD low-income limit, however note that assistance through this program will likely serve very low income individuals with disabilities

(those at or below 50 percent of median). Applicant income must be verified as income eligible prior to signing the contract for assistance. Income determinations are valid for six months.

All participating rental units will be inspected at initial move-in to assure compliance with Section 8 Housing Quality Standards. Bridge rental assistance means that rental assistance contract will expire prior to an annual inspection requirement.

HOPWA

Funding for this program was allocated based on a competitive process for the 2006 program year that produced 13 project sponsors for a near 100 percent coverage of the state. While South Central Virginia continues to lack coverage at this time, DHCD is working with the Virginia Health of Department to better address this service gap.

DHCD's criteria for awarding 2006 HOPWA funds consist of a 100 point (maximum) evaluation system. DHCD's grant evaluation process for HOPWA funding will consist of a joint session to include members of Virginia Department of Health to assess each applicant's level of proposed support services activities and DHCD staff who will assess the applicant's capacity to administer proposed eligible housing activities. DHCD will award funding under each proposed eligible activity based on the applicant's: a) experience in administering housing and support services to low-income persons diagnosed with HIV/AIDS and their family members, b) prior year performance outcomes (if applicable), c) detailed assessment of its locality's housing and support services need, d) coordination among mainstream housing and support services agencies, e) capacity to administer the proposed eligible activities, and f) feasibility of its proposed strategy for the administration and implementation of its proposed activities.

The 2006 projects sponsors will be refunded in 2007 based on utilization of 2006 funding, program performance, local need/demand, and organizational capacity. Actual allocations will be based on these factors, previous year funding levels, and total number of continuing project sponsors. Every attempt will be made to identify a qualified, eligible project sponsor for South Central Virginia to be included 2007. Funding, in this case, will be based on local need/demand, organizational capacity, performance.

Overall distribution methods for the HOPWA program will be reassessed during the 2007 program year, as a part of the Consolidated Planning Process.

All 2007 project sponsors will be required to provide recertification of their continuing eligibility as project sponsor, a proposed and year end proposed/actual budget, beneficiary and performance measures data, and most recent audit.

Project sponsors that have outstanding audit or monitoring findings, unresolved IRS findings, and/or applicants not in compliance with previous DHCD agreements are ineligible for funding.

HOPWA offers grants to AIDS Service Organizations (ASOs), local departments of government and health, Community Services Boards, local public and assisted housing authorities, and 501(c)(3) nonprofit housing organizations to carry-out the following eligible activities: acquisition, rehabilitation, new construction, leasing, operation of housing facilities, emergency

short-term rental, mortgage, and utility assistance, tenant and project-based rental assistance, housing information, resource identification, and supportive services (to included,; but not limited to: case management, health, mental health, assessment, permanent housing placement, drug and alcohol abuse treatment and counseling, day care, personal assistance, nutritional services, intensive care when required, and assistance in gaining access to local; state; and federal benefits) for Virginia citizens who are low-income persons diagnosed with HIV/AIDS and their families.

Applicant/Project Eligibility

Eligible applicants for HOPWA are nonprofit organizations, local government agencies, public housing authorities, governmental health, and human service agencies that provide housing and support services to Virginia citizens who are low-income persons diagnosed with HIV/AIDS and their family members.

HOPWA funds are limited to jurisdictions outside of the three Eligible Metropolitan Statistical Areas (EMSA) of Northern Virginia-Washington D.C., Newport News-Virginia Beach, and Richmond-Petersburg. DHCD allocates funds to six geographic service regions: Southwest, South Central, Northwest, Eastern, Eastern Shore, and the Middle Peninsula.

- **Southwest Region:** The Counties of Lee, Scott, Wise, Dickenson, Russell, Washington, Smyth, Tazewell, Bland, Wythe, Grayson, Carroll, Patrick, Henry, Pittsylvania, Campbell, Craig, Roanoke, Botetourt, Alleghany, Floyd, Pulaski, Buchanan, Amherst, Appomattox, Montgomery, Franklin, Giles, Bedford and Halifax, the Cities of Bedford, Bristol, Covington, Danville, Galax, Lynchburg, Martinsville, Norton, Radford, Roanoke, and Salem and the Towns of Clifton Forge and South Hill.
- **Northwest Region:** The Counties of Augusta, Albemarle, Bath, Caroline, Culpeper, Fluvanna, Frederick, Greene, Highland, Louisa, Madison, Nelson, Orange, Page, Rappahannock, Rockbridge, Rockingham, and Shenandoah, and the Cities of Buena Vista, Charlottesville, Harrisonburg, Lexington, Staunton, Winchester, and Waynesboro.
- **South Central Region:** The Counties of Amelia, Brunswick, Buckingham, Charlotte, Greensville, Lunenburg, Mecklenburg, Nottoway, and Prince Edward, and the City of Emporia. [Note: this area may need to be subdivided in order to secure service provision.]
- **Eastern Shore Region:** The Counties of Accomack and Northampton.
- **Middle Peninsula Region:** The Counties of Essex, King George, Lancaster, Middlesex, Northumberland, Richmond, and Westmoreland,
- **Eastern Region:** Southampton County and the City of Franklin.

Funding Thresholds

Each year DHCD establishes regional funding targets using an “estimated need” that allocates 80 percent of program funds on the basis of the cumulative number of HIV and AIDS cases, excluding the deceased, reported to the Virginia Department of Health by local governments

within in each of these regions. DHCD allocates the remaining 20 percent of HOPWA funds based on each designated region's proportion of the land area in the balance of state.

The state HOPWA program currently encompasses 31,749 square miles. Based on surveillance data from the Virginia Department of Health through December 28, 2004, 3,707 persons were residing in one of the 92 localities under the state HOPWA program when their first positive HIV antibody test was performed or when they were first diagnosed with AIDS. These statistics are based on the cumulative, unduplicated number of living persons with HIV and/or AIDS reported per locality since 1989 and 1982 respectively. Overall, the cases distributed across the current state HOPWA geographic service area account for 17 percent of all cumulative cases of HIV/AIDS in Virginia.

The Department will deduct from the State's allocation the allowable three percent for administration. These funds will be used to pay staff costs associated with administering the HOPWA grant (including travel costs for required site visits, technical assistance, training, and other materials directly related to the program).

Unique Requirements

- a) The HOPWA program year will coincide with the state fiscal year beginning July 1 and ending June 30.
- b) All approved eligible applicants shall be required to enter into a contractual agreement with DHCD.
- c) All approved eligible project sponsors shall be required, 30 days after the close-out of each fiscal year (June 30) to submit a Housing Opportunities for Persons with AIDS (HOPWA) Annual Progress Report (form HUD-40110-C).
- d) All eligible project sponsors shall be required to participate in all technical assistance training administered through the U.S. Department of Housing and Urban Development and/or DHCD.
- e) All approved eligible project sponsors shall be required to adopt a support services funding cap not exceeding 35 percent of its project budget.
- f) All approved eligible project sponsor are limited to the use of no more than 7% of the award toward administrative costs.

Program Monitoring

The Department provides compliance monitoring through the Divisions responsible for administration of each program covered by the current Action Plan. The Consolidated Plan provides a general description of the monitoring tools and systems available during the life of the Plan. Although the Department may experience personnel and organization changes following adoption of the Plan, the basic compliance monitoring methods and procedures that will be used during the coming program year will continue to be followed.

CDBG

The Project Management Office of the Community Development Division will continue to carry out the primary monitoring and compliance assurance activities for CDBG. It relies on several

management tools, technical assistance, reporting, and compliance reviews to assure that the program's regulatory requirements will be met.

The Community Improvement Grant Management Manual gives grantees the necessary procedures, verbatim texts of required documents, and examples illustrating proper implementing actions. DHCD will continue to provide many training workshops across the Commonwealth to supplement the Manual. By increasing grantees' knowledge and skills of project management, construction management, labor standards, fair housing, financial management, and housing rehabilitation, the Department expects to reduce errors and increase the prospects for the successful completion of projects. Various personnel within the Office have designated roles relating to compliance. The broadest responsibilities lie with the Associate Director and the Program Managers. Community representatives serve as first line contacts with grantees—providing direct technical assistance as needed and also project monitoring. Finally, the financial analyst assigned to the program assures fund accountability while providing technical assistance for financial management, audit control, and management.

DHCD uses site visits and in-house consultations as the primary means to provide technical assistance. Site visits emphasizing informal assistance and guidance continue throughout the life of the project. Their timing and frequency generally reflect the progress and specific needs of the individual project. Grantees may receive additional assistance from staff in the Richmond and Abingdon offices at any time, though questions or concerns about an individual grant are normally referred initially to the community representative.

The Department uses progress reports and project close out reports to document the progress and completion of individual projects. Periodic status reports and annual budget reports for each project insure that DHCD and the grantee are fully aware of their current fiscal and programmatic status. Close out reports, which include separate elements for finance, program income, project leveraging, construction, and final evaluations, document project closure.

Project compliance reviews typically occur when a project is approximately 85 percent drawn down. The agency's financial analyst conducts the initial financial compliance review. The financial compliance review resembles an audit in the scope of its coverage. Compliance reviews are formal as opposed to informal events and encompass the full range of requirements (e.g., citizen participation, environmental compliance, financial management, et al.) for which grantees may be responsible according to program requirements.

DHCD will document nonconformities, if any, in specific program areas, note concerns about areas that could lead to a finding of nonconformity if left uncorrected, and provide recommendations about areas where program management could be improved. The agency's goal is to minimize findings of nonconformity during the year by relying on the other compliance methods discussed above to identify and correct problems before a finding is necessary.

Housing Programs (ESG, HOME, HOPWA)

The Division of Housing will continue to administer the HOME, HOPWA, and ESG programs for this fiscal year. Similar techniques will be applied to performance monitoring and

compliance review for each program. Overall, the Division employs ongoing program and project reviews and technical assistance to assure both the effectiveness and compliance of its housing programs. The Division has also increased the use of risk assessments to identify those program areas or projects where problems are most likely to be encountered. If necessary, available monitoring and compliance resources can be concentrated on projects or programs that exhibit greater potential for falling out of compliance. Because some multifamily rental and first-time homeowner programs require compliance over an extended period, DHCD has entered into formal arrangements with the Virginia Housing Development Authority (VHDA), the manager for loans in these program areas, to assure that they monitor longer term compliance.

Project review is usually conducted on a day-to-day basis through communications with project sponsors and subrecipients. This establishes the primary means for providing the technical assistance necessary to assure compliance. Monitoring visits will be conducted for the three programs being administered by the Division of Housing. The specific areas subject to review during a visit include administrative requirements relating to budgeting, the management plan, reporting, record keeping, etc., and programmatic requirements relating to the actual management of the project. The latter includes a review of contract documents, management responsibilities/structure of the responsible agent, and the records or reports for housing standards, environmental standards, construction reports, certificates of occupancy, and project close out documentation.

The responsible administrator for the Division will contact the sponsor, subrecipient, or grantee before the visit to establish the time, place, and circumstance of the visit. During the review, the administrator may provide assistance or advice relating to administrative or programmatic requirements. An exit interview will provide the local sponsor or grantee with a preliminary assessment.

More detailed information will be provided in a subsequent written communication. The letter may document *concerns* or *findings*. For concerns, the administrator will include recommendations for overcoming the particular circumstances. However, if there is a finding, the administrator will provide required corrective actions, following up through either a review of documentation or a site visit.

These site visits create opportunities to extend the Division's training activities to the sites of specific projects, while also assuring the overall integrity of the program through compliance review.

Strategic Planning

DHCD's ongoing strategic planning activities also provide a means for assuring that Department remains focused on the priorities identified in the Consolidated Plan as it develops its annual budget and legislative packages. The Department strategic planning, like that of other state agencies, is intended to provide that all the Department's priorities—including those identified in the Consolidated Plan—are addressed and that opportunities for collaboration across organizational lines are identified. Work plans for the individual offices within DHCD's operating divisions provide the basis for carrying out activities essential to meeting these goals and objectives.

2007 Certifications

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the State certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - a. The dangers of drug abuse in the workplace;
 - b. The grantee's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - a. Abide by the terms of the statement; and

- b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- 5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
- 6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
 - a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
- 7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

Anti-Lobbying -- To the best of the State's knowledge and belief:

- 1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
- 2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and instructions; and
- 3. It will require that the language of paragraphs 1 and 2 of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.

_____	_____
Signature/Authorized Official	Date

Title

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. **Maximum Feasible Priority.** With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. **Overall Benefit.** The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2005, 2006, and .2007 (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of

- low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. **Special Assessments.** The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.

Signature/Authorized Official

Date

Title

Specific HOME Certifications

The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Signature/Authorized Official

Date

Title

ESG Certifications

The State seeking funds under the Emergency Shelter Program (ESG) certifies that it will ensure that its recipients of ESG funds comply with the following requirements:

Major rehabilitation/conversion -- In the case of major rehabilitation or conversion, it will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 10 years. If the rehabilitation is not major, the recipient will maintain any building for which assistance is used under the ESG program as a shelter for homeless individuals and families for at least 3 years.

Essential Services -- Where the assistance involves essential services or maintenance, operation, insurance, utilities and furnishings, it will provide services or shelter to homeless individuals and families for the period during which the ESG assistance is provided, without regard to a particular site or structure as long as the same general population is served.

Renovation -- Any renovation carried out with ESG assistance shall be sufficient to ensure that the building involved is safe and sanitary.

Supportive Services -- It will assist homeless individuals in obtaining appropriate supportive services, including permanent housing, medical and mental health treatment, counseling, supervision, and other services essential for achieving independent living, and other Federal State, local, and private assistance for such individuals.

Matching Funds -- It will obtain matching amounts required under 24 CFR §576.71.

Confidentiality -- It will develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the ESG program, including protection against the release of the address or location of any family violence shelter project except with the written authorization of the person responsible for the operation of that shelter.

Homeless Persons Involvement -- To the maximum extent practicable, it will involve, through employment, volunteer services, or otherwise, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under this program, in providing services assisted through this program, and in providing services for occupants of such facilities.

Consolidated Plan -- It is following a current HUD-approved Consolidated Plan or CHAS.

Discharge Policy -- *It has developed and implemented, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.*

Signature/Authorized Official

Date

Title

HOPWA Certifications

The State HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

Signature/Authorized Official

Date

Title

APPENDIX TO CERTIFICATIONS

INSTRUCTIONS CONCERNING LOBBYING AND DRUG-FREE WORKPLACE REQUIREMENTS:

A. Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

B. Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternate I applies. (This is the information to which jurisdictions certify).
4. For grantees who are individuals, Alternate II applies. (Not applicable jurisdictions.)
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph five).

8. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (Street address, city, county, state, zip code)

***Virginia Department of Housing and Community Development
The Jackson Center
501 North Second Street
Richmond, VA 23219-1321***

Check_____ if there are workplaces on file that are not identified here.

The certification with regard to the drug-free workplace is required by 24 CFR part 24, subpart F.

9. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

"Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C.812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including: (i) All "direct charge" employees; (ii) all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

**APPLICATION FOR
FEDERAL ASSISTANCE**

Version 7/03

1. TYPE OF SUBMISSION: Application		2. DATE SUBMITTED		Applicant Identifier	
<input type="checkbox"/> Construction		<input type="checkbox"/> Construction		3. DATE RECEIVED BY STATE	
<input checked="" type="checkbox"/> Non-Construction		<input type="checkbox"/> Non-Construction		State Application Identifier	
5. APPLICANT INFORMATION		4. DATE RECEIVED BY FEDERAL AGENCY		Federal Identifier	
Legal Name: Commonwealth of Virginia				S07DC510001	
Organizational DUNS: 909 391 881					
Address: Street: 501 North Second Street				Organizational Unit: Department: Department of Housing and Community Development	
City: Richmond				Division:	
County:				Name and telephone number of person to be contacted on matters involving this application (give area code)	
State: VA		Zip Code 23219-1321		Prefix: Ms.	
				First Name: Lyndsi	
				Middle Name L.	
				Last Name Austin	
				Suffix:	
Country: United States				Email: lyndsi.austin@dhd.virginia.va.gov	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 5 4 - 1 0 8 3 0 4 7		Phone Number (give area code) (804) 371-7122		Fax Number (give area code) (804) 371-7091	
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)				7. TYPE OF APPLICANT: (See back of form for Application Types) A Other (specify)	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Emergency Shelter Grant (ESG) Program 1 4 - 2 3 1				9. NAME OF FEDERAL AGENCY:	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Statewide Non-Entitlement Areas				11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: To provide support to service providers and local operators of emergency shelters, day shelters, and transitional facilities.	
13. PROPOSED PROJECT Start Date: 07/01/2007 Ending Date: 06/30/2008				14. CONGRESSIONAL DISTRICTS OF: a. Applicant NA b. Project NA	
15. ESTIMATED FUNDING:				16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 1,668,289 ⁰⁰			a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:	
b. Applicant	\$ ⁰⁰			b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
c. State	\$ 3,265,120 ⁰⁰			<input checked="" type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
d. Local	\$ ⁰⁰			17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
e. Other	\$ ⁰⁰			<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
f. Program Income	\$ ⁰⁰				
g. TOTAL	\$ 4,933,409 ⁰⁰				
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.					
a. Authorized Representative					
Prefix Mr.		First Name William		Middle Name C.	
Last Name Shelton				Suffix	
b. Title Director, Virginia Department of Housing and Community development				c. Telephone Number (give area code) (804) 371-7077	
d. Signature of Authorized Representative				e. Date Signed	

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Standard Form 424 (Rev.9-2003)
Prescribed by OMB Circular A-102

APPLICATION FOR FEDERAL ASSISTANCE

OMB Approval No. 0348-0043

1. TYPE OF SUBMISSION:		2. DATE SUBMITTED March 26, 2007	Applicant Identifier
Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		3. DATE RECEIVED BY STATE	State Application Identifier VA6HO7F999
Preapplication <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
5. APPLICANT INFORMATION			
Legal Name: Commonwealth of Virginia		Organizational Unit: Department of Housing and Community Development	
Address (give city, county, State, and zip code): 501 North Second Street Richmond, VA 23219-1321		Name and telephone number of person to be contacted on matters involving this application (give area code) Lyndsi Austin (804) 371-7122	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 54 — 1083047		7. TYPE OF APPLICANT: (enter appropriate letter in box) A	
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) <input type="checkbox"/> <input type="checkbox"/> A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration Other(specify): _____		A. State H. Independent School Dist. B. County I. State Controlled Institution of Higher Learning C. Municipal J. Private University D. Township K. Indian Tribe E. Interstate L. Individual F. Intermunicipal M. Profit Organization G. Special District N. Other (Specify) _____	
9. NAME OF FEDERAL AGENCY:			
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE: 14 — 241		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: To provide support for the acquisition, rehabilitation, leasing or operations of facilities, rental or mortgage assistance, utility payments, housing information, resource identification, and technical assistance to project sponsors to serve people with HIV/AIDS.	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Statewide Non-Entitlement Communities			
13. PROPOSED PROJECT		14. CONGRESSIONAL DISTRICTS OF:	
Start Date 7/1/07	Ending Date 6/30/08	a. Applicant	
		b. Project	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 615,000 ⁰⁰	a. YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON: DATE _____	
b. Applicant	\$. ⁰⁰	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
c. State	\$. ⁰⁰	<input checked="" type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
d. Local	\$. ⁰⁰		
e. Other	\$. ⁰⁰	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
f. Program Income	\$. ⁰⁰	<input type="checkbox"/> Yes If "Yes," attach an explanation. <input checked="" type="checkbox"/> No	
g. TOTAL	\$ 615,000 ⁰⁰		
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
a. Type Name of Authorized Representative William C. Shelton		b. Title Director, Virginia Department of Housing and Community Development	c. Telephone Number (804) 371-7077
d. Signature of Authorized Representative		e. Date Signed	

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APPLICATION FOR FEDERAL ASSISTANCE

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. DATE SUBMITTED	Applicant Identifier
Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier M07DC510001
5. APPLICANT INFORMATION			
Legal Name: Commonwealth of Virginia		Organizational Unit: Department: Department of Housing and Community Development	
Organizational DUNS: 809 391 881		Division:	
Address: Street: 501 North Second Street		Name and telephone number of person to be contacted on matters involving this application (give area code)	
City: Richmond		Prefix: Ms.	First Name: Lyndsi
County:		Middle Name L.	
State: VA		Last Name Austin	
Zip Code 23219-1321		Suffix:	
Country: United States		Email: lyndsi.austin@dhcd.virginia.va.gov	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 5 4 - 1 0 8 3 0 4 7		Phone Number (give area code) (804) 371-7122	Fax Number (give area code) (804) 371-7091
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)		7. TYPE OF APPLICANT: (See back of form for Application Types) A Other (specify)	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): HOME Investment Partnership 1 4 - 2 3 9		9. NAME OF FEDERAL AGENCY:	
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Statewide Non-Entitlement Areas		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: To provide support for projects creating home ownership opportunities, preserving affordable housing, and promoting the creation of affordable housing opportunities.	
13. PROPOSED PROJECT Start Date: 07/01/2007		14. CONGRESSIONAL DISTRICTS OF: a. Applicant NA	
Ending Date: 06/30/2008		b. Project NA	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 13,498,170.00	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON	
b. Applicant	\$.00	DATE:	
c. State	\$.00	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372	
d. Local	\$.00	<input checked="" type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
e. Other	\$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
f. Program Income	\$ 300,000.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
g. TOTAL	\$ 13,798,170.00		
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.			
a. Authorized Representative			
Prefix Mr.	First Name William	Middle Name C.	
Last Name Shelton		Suffix	
b. Title Director, Virginia Department of Housing and Community development		c. Telephone Number (give area code) (804) 371-7077	
d. Signature of Authorized Representative		e. Date Signed	

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Prescribed by OMB Circular A-102

**APPLICATION FOR
FEDERAL ASSISTANCE**

Version 7/03

1. TYPE OF SUBMISSION: Application		2. DATE SUBMITTED		Applicant Identifier	
<input type="checkbox"/> Construction		Pre-application		3. DATE RECEIVED BY STATE	
<input checked="" type="checkbox"/> Non-Construction		<input type="checkbox"/> Construction		State Application Identifier	
<input type="checkbox"/> Non-Construction		<input type="checkbox"/> Non-Construction		4. DATE RECEIVED BY FEDERAL AGENCY	
				Federal Identifier B07DC510001	
5. APPLICANT INFORMATION					
Legal Name: Commonwealth of Virginia			Organizational Unit: Department: Department of Housing and Community Development		
Organizational DUNS: 809 391 881			Division:		
Address: Street: 501 North Second Street			Name and telephone number of person to be contacted on matters involving this application (give area code)		
City: Richmond			Prefix: Ms.		First Name: Lyndsi
County:			Middle Name L.		
State: VA			Last Name Austin		
Zip Code 23219-1321			Suffix:		
Country: United States			Email: lyndsi.austin@dhcd.virginia.va.gov		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 5 4 - 1 0 8 3 0 4 7			Phone Number (give area code) (804) 371-7122		Fax Number (give area code) (804) 371-7091
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>			7. TYPE OF APPLICANT: (See back of form for Application Types) A Other (specify)		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 1 4 - 2 2 8 TITLE (Name of Program): Community Development Block Grant			11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: To provide grants to units of general local government for economic development, housing, community services facilities, public facilities, and planning.		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Statewide Non-Entitlement Communities			9. NAME OF FEDERAL AGENCY:		
13. PROPOSED PROJECT Start Date: 07/01/2007 Ending Date: 06/30/2008			14. CONGRESSIONAL DISTRICTS OF: a. Applicant NA b. Project NA		
15. ESTIMATED FUNDING:			16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?		
a. Federal	\$	19,767,200 ⁰⁰	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:		
b. Applicant	\$	⁰⁰	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372		
c. State	\$	⁰⁰	<input checked="" type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
d. Local	\$	⁰⁰	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?		
e. Other Recaptured/Returned	\$	721,456 ⁰⁰	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
f. Program Income	\$	4,128 ⁰⁰			
g. TOTAL	\$	20,492,784 ⁰⁰			
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.					
a. Authorized Representative					
Prefix Mr.		First Name William		Middle Name C.	
Last Name Shelton		Suffix			
b. Title Director, Virginia Department of Housing and Community development		c. Telephone Number (give area code) (804) 371-7077			
d. Signature of Authorized Representative		e. Date Signed			

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